B91-B3280-1-F

THE EQUIFAX REPORT ON CONSUMERS IN THE INFORMATION AGE

A national telephone survey conducted
by Equifax Inc. by Louis Harris & Associates and
Dr. Alan F. Westin, professor of public law and
government, Columbia University

BEST AVAILABLE COPY

EQUIFAX

The Information Source

THE EQUIFAX REPORT *ON* CONSUMERS *IN THE* INFORMATION AGE

A national opinion survey conducted
for Equifax Inc. by Louis Harris & Associates and
Dr. Alan F. Westin, professor of public law and
government, Columbia University

© 1990 Equifax Inc.
Permission is hereby granted to reprint all
or a portion of this material provided
a credit line is included acknowledging
Equifax Inc., 1600 Peachtree Street,
Atlanta, Georgia 30302

CONTENTS

A Message From Equifax I

Introduction III

Executive Summary V

Alan F. Westin: Consumer Privacy Issues in The Nineties XVIII

Chapter 1: Privacy and The Individual 1

Chapter 2: How Governmental and Business Institutions Are Perceived In Relation to Personal Privacy 10

Chapter 3: How Consumers Would React to the Loss of Opportunities Made Possible Through the Use of Computerized Information 26

Chapter 4: The Privacy-Intensive Industries – Employment 31

Chapter 5: The Privacy-Intensive Industries – Credit 43

Chapter 6: The Privacy-Intensive Industries – Insurance 59

Chapter 7: The Privacy-Intensive Industries – Direct Marketing 68

Chapter 8: The Privacy-Intensive Industries – Telecommunications 78

Chapter 9: The Privacy-Intensive Industries – Computers 83

Chapter 10: Privacy and Current Law 91

Chapter 11: Privacy Protection and the Future 98

APPENDIX A: Survey Method 107

LIST OF TABLES 110

A Message from Equifax

"During 1989, we recognized fully that our activities supporting our goals of market leadership and technological innovation must be balanced with a commitment to protecting our most important asset–the confidentiality of information."

— Equifax President & CEO C. B. (Jack) Rogers, Jr. during his report to the Company's Annual Meeting of Shareholders April 25, 1990

Early in 1989, as Equifax began formulating business strategy for the century's final decade, we conducted a careful examination of the company's relationships with consumers. We published, gave to each employee, and disseminated widely a document defining our Fair Information Practices. A portion of that material is excerpted in the area below.

As we looked at the ways information technology has developed and is making possible more extensive and sophisticated uses of consumer information, it became clear to us that information integrity and confidentiality is our company's most important asset. Accordingly we launched a number of initiatives — all introspective in nature — to ensure that our corporate policies, practices and systems fully support the singular objective of preserving effective information standards.

We believe the survey research summary you are about to read epitomizes our commitment to this objective and to our consumer-oriented initiatives. Equifax commissioned Louis Harris and Associates and Professor Alan F. Westin of Columbia University to conduct a national consumer opinion survey to elicit from the public and selected leadership groups their views on the many questions affecting access and use of consumer data, the safeguarding of data and the information "tradeoffs" consumers are willing to consider

INFORMATION POLICIES

Equifax provides a wide range of consumer and business information services for decision makers. As the corporate name implies, the Company realizes and accepts its responsibilities for equity and fairness in its handling of factual data; first, to the person applying for the benefit; secondly, to the evaluator or risk-taker; and finally, to the public at large.

The Company's commitment to integrity in the information industry must take primacy. Therefore, Equifax believes:

▲ every person has a right to be considered for credit, insurance, employment and other benefits on his/her own merits;

▲ every person who seeks to qualify for a transaction should be treated with respect and fairness;

▲ every person has a right to know what information has been reported on him/her so that its accuracy can be assured, corrected or explained as needed in fairness to all involved;

▲ every person has a right to personal privacy consistent with the demands and requests he or she makes of business; and

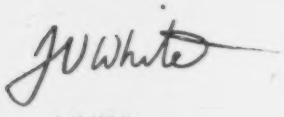
▲ every person is entitled to have this privacy safeguarded through the secure storage and careful transmittal of information.

March 1989

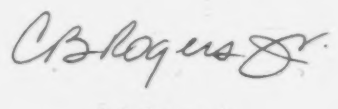
in the 1990s. And now, we publicize the survey results at a time when business needs for better, more accurate, quicker information coincide with consumer concerns about privacy, security and technology.

And what do we make of the results? Because of the thoroughness of the methodology and the expertise of the analysis, we know now a great deal about the attitudes of consumers and business leaders toward the information industry. We also know that it is the responsibility of Equifax to give careful attention to these data and to address them consistently in our daily business practices. We pledge publicly that our company will fulfill that responsibility as we seek to establish and maintain the delicate balance between the legitimate information needs of business and consumers' rights to privacy.

We invite you to study this document carefully in the firm belief that it can make a significant contribution to the public debate surrounding the issues examined here.



J. V. White
Chairman of the Board



C. B. Rogers, Jr.
President and CEO

Introduction

Louis Harris & Associates was commissioned by Equifax Inc., The Information Source™, to conduct a major study of the consumer in the information age. Interviews were conducted with a cross section of the American public and with a leadership sample consisting of executives in privacy-intensive industries and consumer affairs executives.

Between January 11 and February 11, 1990, interviews were conducted with a cross section of 2,254 Americans eighteen years of age and over. Between April 20 and April 30, 1990, a brief follow-up interview was conducted with a cross section of 2,253 Americans eighteen years of age and over. Between January 29 and March 13, 1990, interviews were conducted with 152 insurance company executives, 150 executives of credit grantors, 157 executives of banks and thrifts, 150 direct marketing executives, 203 human resource executives, and 104 consumer affairs executives. A more detailed explanation of the sample composition is contained in the Technical Appendix to this report.

Statement of Purpose

Information about consumers — collected, combined, and exchanged through computer and communication technologies — has become the central resource used by business and government today to administer consumer opportunities, benefits and rights. Millions of daily transactions sought by consumers depend on the availability of fast, accurate and complete consumer information.

This information about consumers is used by a wide array of organizations — banks, retailers, commercial credit grantors, mortgage lenders, financial service organizations, direct-response marketers, advertising agencies, insurance companies, public utilities and many others.

And the information is used for a broad set of purposes — to grant or deny credit; to issue credit cards; to write life, health, auto and other types of insurance; to select people to receive direct-mail solicitations; to assess eligibility for government aid programs; to prevent fraud; for investigative and law enforcement uses; and many others.

Two decades ago, our society enacted the "first generation" of consumer protection laws (federal and state), and many organizations voluntarily adopted codes of fair information practices to provide privacy and due-process rights to their customers and clients. However, technology has made possible far more extensive and sophisticated uses of consumer information than were possible in the late 1960s and early 1970s, and the proliferation of personal and desktop computers has broadened into millions the number of organizational officials who can collect or exchange computerized personal data. New uses of computerized data in the 1990s could take us into even more advanced — and uncharted — directions.

This survey explores public and leadership experiences with, and attitudes toward, the use of personal information in a wide variety of contexts, and addresses the issue of how the protection of privacy in America today is regarded and what our future prospects are.

Louis Harris & Associates is indebted to Dr. Alan F. Westin, our academic advisor to this survey, who has provided us with substantive guidance and expertise on the issues that have been addressed.

In addition, Louis Harris & Associates and Dr. Alan F. Westin would like to acknowledge with appreciation the advice as to survey coverage and topics that was provided during the formative stages of the survey work by the following individuals and groups:

Government: Dr. Bonnie Guiton, Special Adviser to the President on Consumer Affairs, and Andrew Poat, Nickie Athanason-Dymersky, Patricia Faley, and Bonnie Jansen, all of the U.S. Office of Consumer Affairs; Jean Noonan, Federal Trade Commission; Gilda Morse, Office of Thrift Supervisor; Kathleen Brueger, House Subcommittee on Consumer Affairs and Coinage; Robert Gellman, House Subcommittee on Government Information, Justice, and Agriculture; Kim Shafer, Senate Subcommittee on Consumer and Regulatory Affairs; and Kevin Gottlieb, Senate Banking Committee.

Organizations: American Association of Retired Persons; Alliance of American Insurers; American Civil Liberties Union; American Council of Life Insurance; Associated Credit Bureaus, Inc.; American Retail Federation; American Management Association; National Foundation for Consumer Credit; National Center for Financial Information; and National Consumers League.

Experts on privacy: Robert R. Belair; Evan Hendricks; David Flaherty; David Linowes; Gary T. Marx; Ronald Plesser; James Rule; and Robert Ellis Smith.

We are grateful to Professor Robert Shapiro of Columbia University, and to Mr. John Young for advice on survey design and additional computer analysis of the data.

1. The American public expresses widespread concern with threats to personal privacy in America today.

Nearly four Americans in five (79%) express general concern about threats to personal privacy in America today. This level of concern is up only slightly from the 77% who expressed concern in a 1983 Harris survey, *The Road After 1984*, but is up sharply from the 64% who expressed concern in 1978 in a Harris survey, *The Dimensions of Privacy*.

In their responses to an index which measures attitudes toward technology and the institutions of business and government, Americans show themselves to be increasingly distrustful of government and technology, with small minorities also distrustful of business and voting. Fifty-five percent of the public are, overall, highly or moderately distrustful today, up from 49% in 1978.

Those people who are most distrustful are also those who express general concerns about threats to their personal privacy. Eighty-five percent of the highly distrustful say they are worried about such threats.

Most revealing, however, is the fact that fully two-thirds (67%) of Americans who are not at all distrustful are, nonetheless, generally concerned about threats to their personal privacy. This suggests that the "floor" of concern with the issue of privacy includes both the trustful and the distrustful in 1990.

Most business executives share this public concern. Consumer affairs executives (77%) are nearly as concerned about threats to privacy as the public. Among executives in privacy-intensive industries, majorities of those working for banks and thrifts (70%), those who are human resources executives (69%), and those working for insurance companies (67%) and direct marketers (66%) express concern with threats to privacy, as do a smaller majority of executives of credit grantors (55%).

2. Americans express growing concern over having to reveal personal information.

Three in ten Americans today, compared with only 14% in 1978, have decided not to apply for a job, credit, or insurance because they did not want to provide certain kinds of information about themselves. Executives in privacy-intensive industries do not differ markedly from the public in this regard, with between 23% and 34% of each group of executives having made the same kind of decision.

Americans, in greater numbers (42%, compared to the three in ten cited above) have refused to give information to a business or company because they thought the information was either too personal or not really needed. Executives in privacy-intensive industries are even more likely to have refused to give information to businesses for these reasons, with between 59% and 70% of each group of executives having done so.

By contrast, only 14% of the public and between 13% and 22% of each group of executives have refused to give information to a government agency for these reasons.

The survey findings do not fully explain this difference in the percentages of those who have refused to give information to a business or company and those who have refused to give information to a government agency. Possible explanations include: (1) Americans *may* be presented with many more requests for personal information from businesses than from government agencies; (2) Businesses *may* be more likely than government agencies to ask for information that Americans consider too personal or unnecessary; or (3) Americans *may* be more reluctant to refuse to give personal information to a government agency than to a business, since government requests often come with legal requirements to comply.

One in six people who are currently employed (16%) say they have been asked by an employer for information the employer had no right to know. Another one in six (17%) say they have been asked to provide personal information they felt was improper when applying for credit. One in seven (14%) say they've been asked improper information when applying for health insurance.

3. The American people regard privacy as a fundamental right and are not satisfied with the way some organizations currently collect and use information about individuals.

By an overwhelming 79-19% margin, Americans agree that: "If we rewrote the Declaration of Independence today, we would probably add privacy to the list of 'life, liberty, and the pursuit of happiness' as a fundamental right."

By a 71-27% margin, Americans agree that consumers have lost all control over how personal information about them is circulated and used by companies.

Over half agree that consumers being asked to provide excessively personal information (57%) and inaccuracy and mistakes in information collected about individuals (54%) are major problems.

4. At the same time, the American public is less likely than in the recent past to allow individuals to freely engage in practices which some might consider immoral, or which are illegal but which many regard as "victimless crimes."

The percentage of Americans who think homosexual relations between consenting adults should be left to the individual to decide has declined from 70% in 1978 to 63% today. The remainder divide between those who opt for allowing the practice but regulating it by law, and those who opt for totally forbidding it by law.

The percentage who think smoking marijuana in a private residence should be left to the individual to decide has also declined, from 55% in 1978 to 33% today.

The percentage who think that engaging in prostitution should be left to the individual to decide has declined from 35% in 1978 to 22% today.

These figures indicate that more Americans have come to accept a restricted vision of what an individual should be "free" to do. Whether this narrowing of the definition of "freedom" fosters an atmosphere in which invasions of personal privacy are more likely to be acceptable is a question which needs to be addressed.

5. Despite the concern expressed over having to reveal personal information, Americans admit they would be upset if they were denied the opportunities which are only made possible through the collection and use of personal information.

More than three out of four Americans (78%) say they would be upset if they could not obtain credit based upon their record of paying bills. When looking at people's responses by age, sex, race, and level of education, at least 70% in every demographic grouping say they would be upset.

Nearly half of the public says it would upset them if they could not use a credit card to buy goods or pay for services (44%), or could not receive at-home mail offers or catalogs geared to their interests (39%).

These results indicate that Americans are pragmatic about the collection and use of personal information. On the one hand, they're concerned about the legitimate privacy interests involved in how their personal information is collected and used. On the other hand, they want the opportunities which the collection and use of personal information make possible. Reflecting this, 54% of Americans say that in the past year a household member has bought something from a mailing sent to their residence, indicating that a majority are interested in ordering from mail catalogs for convenience' sake.

6. Governmental organizations are generally regarded by most Americans as being more responsible than privacy-intensive industries in collecting and using personal information about individuals.

Eighty-one percent of Americans have a high or moderate degree of trust in the way the Census Bureau collects and uses information about people. The Social Security Administration follows closely with 76% having high or moderate trust, while the IRS is a little further back at 67%. Sixty-eight percent of Americans have a high or moderate degree of trust in the way life insurance companies collect and use information, 67% have a high or moderate degree of trust in health insurance companies, 65% in companies which provide employers with information about job applicants, 61% in auto insurance companies, 59% in credit bureaus, and 34% in companies which sell to consumers at their homes by direct mail or telephone.

Executives in privacy-intensive industries tend to have a higher degree of trust in the way their own or allied industries collect and use information about people, but they think more like the rest of the American public when assessing the level of trust they have in the way other unrelated industries collect and use information.

7. Consumer attitudes about direct marketers' use of information about individual consumers depend on how Americans perceive their relationship with direct marketers. When consumers are made aware of various protective measures that are currently used or could be applied by list-making companies, and of the benefits consumers could enjoy, very large majorities of the public approve direct marketers' use of information about individual consumers.

When the relationship between direct marketers and consumers is presented in a way that stresses only the advantage to the direct marketers, a 69-28% majority of Americans oppose direct marketers being able to buy from list-making companies information about their own consumer characteristics. However, when the relationship between direct marketers and consumers is presented in a way that stresses the benefits to both, a 67-31% majority of Americans find it acceptable for direct marketers to buy names and addresses of people in certain age groups, income groups, and residential areas.

The same pattern can be observed with regard to pre-screening consumers for offers of credit. When presented as a benefit only to the companies making the offer, a 76-23% majority of Americans oppose these companies being able to purchase from credit bureaus the names and addresses of consumers who meet certain requirements. However, when presented within the context of a relationship in which the company offering credit and the consumer both benefit, a 66-32% majority finds it acceptable for credit card issuers to ask credit bureaus to tell them which individuals meet their credit standards.

Among the executives surveyed, majorities of insurance industry executives (67%), consumer affairs executives (65%), human resources executives (60%), executives of banks and thrifts (58%), direct marketing executives (54%), and executives of credit grantors (51%) agree that consumer concern over the use of information from credit bureau files for direct marketing purposes is genuine, and not overstated by the media or privacy advocates.

8. Most Americans believe employers have the right to collect information which will identify job applicants and employees who are dishonest or who have engaged in illegal activities. However, they do not believe employers have the right to delve into peoples' private lives.

Four out of five (80%) Americans believe an employer should be able to check whether a job applicant has a criminal record, while more than half (55%) think it's appropriate for a job applicant to take a written honesty test.

More than four out of five (83%) Americans who work believe employers should be able to require that someone applying for their job take a scientific drug test before being hired. Two-thirds (66%) approve of random drug testing for someone with their job.

However, less than half of the public (46%) think it is appropriate for a job applicant to have to take a test for AIDS, and only 12% think it is appropriate to check into a job applicant's lifestyle or political associations.

Virtually all of the human resources executives state that their company never asks for personal information about job applicants such as: whether the job applicant smokes off the job; whether the job applicant is living with someone of the opposite sex who is not a family member; whether the job applicant has elderly parents; whether the job applicant plans to have children; or what the job applicant's religious preferences are.

9. Americans believe institutions which make loans and grant credit should have the right to check into the credit history of applicants. An overwhelming majority know they have the legal right to learn what information is contained in their credit report. While relatively few Americans have ever disputed an item in their credit report, many people denied credit feel they have been denied credit unjustly.

Ninety-six percent of the public believe that checking the credit records of loan applicants is acceptable. Ninety-four percent believe that checking the credit history of applicants for credit is acceptable. Two-thirds (67%) accept the use of bankruptcy prediction formulas as a means of limiting credit to applicants.

Ninety-four percent of Americans know they have the legal right to learn what information is in their credit report. Only 15% of Americans have ever disputed an item in their credit report. However, among the one-quarter (25%) of the American public who report they have been turned down for credit, 72% believe their record of paying bills at that time should have justified their getting credit; 58% believe the decision was based on information that was unfair; 57% believe the decision was based on incomplete information; and 49% believe the decision was based on inaccurate information.

The American public is evenly divided—48% in favor and 50% against—over whether consumers should be notified by mail when adverse information is placed in their credit bureau file. Seven out of ten executives of credit grantors and of banks and thrifts are opposed to this.

10. Americans are divided over whether health insurance companies should be able to check previous claims before deciding whether to sell someone insurance, but overwhelmingly believe that healthy people and those needing expensive treatments should pay the same rates.

One difficulty here may be the difference between *group* health plans, with which most people have direct experience, and *individual* health insurance, about which the questions were asked.

By a narrow 54-45% majority, Americans think health insurance companies should be able to check an individual's previous claims history before deciding whether to sell that person insurance. Health insurance executives are nearly unanimous (96%) in approving this practice.

Only 25% of the public think people who need expensive treatment should pay more for health insurance than healthy people. Among health insurance executives, 78% think those needing expensive treatment should pay more.

A narrow majority of the public (52-45%) and a large majority of health insurance executives (78-16%) would allow health insurance companies to share information about applicants if, in return, applicants denied insurance were allowed to get a copy of their record and challenge inaccurate information that was used in the decision process.

11. Executives in privacy-intensive industries believe they are currently getting the information necessary to make sound decisions about applicants for jobs, credit, and insurance. There is a general level of satisfaction with reports obtained for these purposes from commercial reporting agencies.

Over three-fourths of human resources executives (77%), nine out of ten executives of credit grantors (91%) and banks and thrifts (94%), and eight out of ten insurance industry executives (84%) say their company is getting the information it needs to make sound decisions about applicants.

Large majorities of all groups express satisfaction with the relevance, timely delivery, accuracy, and completeness of the reports about applicants received from commercial reporting agencies.

12. Executives in privacy-intensive industries rate their own firms highly on protecting legitimate privacy interests, but not nearly as well on finding out how people feel about the use of their personal data or on supporting educational campaigns on consumer rights and responsibilities.

Eight out of ten human resources executives believe their companies are above average in protecting the legitimate privacy interests of job applicants (79%) and employees (81%). Eight in ten executives of banks and thrifts (83%) and seven in ten executives of credit grantors (72%) and insurance companies (70%) rate their companies above average in protecting the legitimate privacy interests of consumers.

However, with regard to the use of personal information, only 20% of human resources executives rate their companies as above average in finding out how job applicants feel, and 26% give an above average rating in finding out how employees feel. Less than one out of four executives of banks and thrifts (23%), credit grantors (23%), and insurance companies (20%) rate their companies above average in finding out how consumers feel about the use of their personal information.

Only three in ten executives of banks and thrifts (31%), credit grantors (29%), and insurance companies (29%) rate their companies above average in supporting educational campaigns on consumer rights and responsibilities in their industry.

13. Few companies in privacy-intensive industries have an advisory board or panel to help identify consumer concerns and develop responsive policies. Executives in companies without such panels or boards do not think they are necessary.

According to their executives, only 20% of banks and thrifts, 18% of credit grantors, and 14% of insurance companies have created advisory boards or panels made up of consumer-group representatives to help management identify consumer concerns and develop responsive policies.

In those companies without advisory boards or panels, only 22% of executives of banks and thrifts, 20% of executives of credit grantors, and 20% of insurance company executives think their companies should establish them.

14. Executives in privacy-intensive industries say their companies are most likely to adopt new privacy policies when a consensus in their industry is reached.

A plurality of between 41% and 50% of each group of privacy-intensive industry executives says their companies want to adopt new privacy policies about consumer information when an industry consensus is reached, while 20% to 37% say their companies want to wait until laws are passed that define what is proper and improper, and 19% to 23% say their companies want to be pioneers in privacy protection.

A plurality of between 37% and 50% of each group of privacy-intensive industry executives says their companies want to adopt new privacy policies about information concerning job applicants and employees when an industry consensus is reached. Twenty-two percent to 30% say their companies want to wait until laws are passed that define what is proper and improper, and 19% to 24% say their companies want to be pioneers in privacy protection.

The composite picture which emerges indicates that executives in privacy-intensive industries feel their companies are doing a good job in protecting legitimate privacy interests. In addition, further voluntary efforts at the corporate level to find out what consumers, employees, and job applicants actually think about the use of their personal information are not felt to be needed by these executives.

15. When presented with the newly-arising privacy issues surrounding the introduction of Caller ID, which allows people receiving phone calls to learn the number of the person calling them, Americans seem inclined to opt for a middle course. Presented with the options of making Caller ID freely available, making Caller ID available but only if regulated, or prohibiting Caller ID entirely, the American public opts for making Caller ID available if regulated.

When initially asked whether or not telephone companies should be allowed to sell Caller ID, a service in which "people will be able to see the telephone number of the person calling them," a 55-43% majority of the public say telephone companies should be able to sell Caller ID.

In a more detailed scenario, the public is told that some people think Caller ID is a good idea "because it would allow people to screen incoming calls, and because companies will be able to pull up customer records faster," while other people think it is a bad idea "because it will give away people's unlisted numbers and people will no longer be able to call up help or hotlines and remain anonymous." In this scenario, 55% of Americans say Caller ID should be available but regulated by law, 25% say it should be banned completely, and 17% say it should be freely available.

In another scenario, the public is told that telephone companies say Caller ID "will allow people to screen out unwanted calls" and "report that tests of the service and publicity about it have produced a drop in obscene phone calls," but that "some people are worried that this will reduce privacy of telephone use by giving away people's unlisted numbers and because people will no longer be able to call help or hotlines and remain anonymous." In this scenario, 48% of the American public say Caller ID should be permitted by regulators, but only if calling parties have the ability to block the display of their number, 27% say Caller ID should be forbidden by law, and 23% say Caller ID should be available without any limitations.

16. Computers are thought capable of both threatening and advancing legitimate privacy interests.

Seven out of ten executives in privacy-intensive industries agree that computers have made it much easier for someone to obtain confidential personal information about individuals improperly. Only four out of ten agree that the privacy of personal information in computers is adequately safeguarded. However, three-quarters do not agree that, if privacy is to be preserved, the use of computers must be sharply restricted in the future.

Some people also believe that computers can be of value in seeking to address privacy-related issues and concerns. Two of three people (68%) say that, if they had a computer at home, they would find it valuable to be able to dial into a public library or other nonprofit service to locate experts or publications on a consumer issue of concern to them. More than six in ten (61%) say they'd find it valuable to be able to use an on-line system to examine their current credit report, after identifying themselves to the credit bureau. In addition, over half (58%) say they'd find it valuable to be able to use an on-line system to communicate with a charity or civic group to give their views or volunteer for assignments.

17. When asked whether they would stay with the present system of specific laws, congressional oversight, and individual lawsuits or whether they favor creating either a non-regulatory or regulatory privacy commission, a majority of the American public supports using the present system or adding a non-regulatory board.

A majority of the public (55%) favors protecting consumer privacy by using the present system (31%) or setting up a non-regulatory privacy board (24%). A strong minority (41%) believe a regulatory privacy commission is needed. Among executives in all the privacy-intensive industries, majorities or pluralities opt for staying with the present system in preference to either alternative.

Clearly, the American public wants either the laws or the institutions for consumer privacy protection to be strengthened.

18. Looking to the future:

The survey results indicate that, in the absence of serious attempts by the corporate community to address perceptions of harm to privacy interests, public pressure could encourage legislators to enact stricter legal restrictions on the commercial use of consumer information. These restrictions could have the result of bringing about disadvantages to consumers, such as restricted access to credit or increased service fees for credit application processing, that consumers would regard as worse than the disadvantages arising from the current system.

It is a reasonable assumption that most people have given little thought to – and indeed know little about – the balance of advantages and disadvantages to themselves arising from the use of consumer databases. They are probably aware of the volume of mail and the number of telephone solicitations they receive, but are less likely to focus on how their lives would be different if decisions about extending credit or making loans had to be made without looking at information contained in credit reports.

Acceptance of the more widespread use of consumer databases in the future may depend on private industry establishing effective consumer consultation mechanisms and voluntary safeguards concerning the collection and use of personal information and on making sure the public is aware of the benefits, now routinely enjoyed by consumers, that would disappear if overly strict restrictions were placed on the use of consumer databases.

Consumer Privacy Issues in The Nineties
-Professor Alan F. Westin

The purpose of this Essay is to put the Equifax survey into a larger historical and social framework, consider what its findings tell us about current consumer privacy issues, and explore the survey's implications for societal choices about future uses of consumer personal information. As a privacy scholar who has worked for almost four decades in this field, the opportunity to serve as the Academic Advisor to this survey, and to write this personal interpretation of its meaning, has been a great satisfaction to me, and I would like to express my appreciation to Equifax and Louis Harris & Associates for making this possible.

How the American Privacy Tradition Evolved

Virtually every definition of privacy expresses one central concept—that privacy is the claim of individuals to decide what information about themselves will be communicated to others. What distinguishes democratic from authoritarian and totalitarian societies is that democracies recognize and institutionalize a *privacy-enhancing balance* among three competing interests: (1) safeguarding personal and group privacy, in order to protect individuality and freedom against unjustified intrusion by authorities; (2) collecting relevant personal information essential for rational decision-making in social, commercial and governmental life; and (3) conducting the constitutionally limited government surveillance of people and activities necessary to protect public order and safety.

To safeguard privacy in the context of existing technology and known threats (primarily from government), the Founding Fathers wrote constitutional guarantees protecting "persons, houses, papers, and effects" from "unreasonable" police searches and seizures, and shielded privacy for religious beliefs against compulsory disclosure. They also enacted legislation protecting privacy for letters in the U.S. mails and in the decennial Census.

Applying that libertarian balance of privacy across 20 decades has required updating privacy rules to meet changes in technology, work, personal and family values, consumer affairs, organizational life, political processes, government functions, criminal conduct, and national security problems. On the whole, updating social and legal definitions to preserve what the U.S. Supreme Court termed an individual's "reasonable expectations of privacy" proceeded well down to the 1960s.

The Privacy Crisis of the 1960s

It was in the mid-1960s that a series of key social changes arose to challenge the existing definition of privacy rights and frame our current dilemmas.The United States was now a modern social-welfare state, and credential-based decision-making about people through large-scale record keeping (not the old face-to-face relations) was already the rule of American organizational life.

The first challenge was the arrival of new physical, psychological, and data surveillance technologies, especially the use of new computer and communication technologies. This revolutionized the amounts and depth of personal information that could be collected, collated, and used by business and government. While the public warmly embraced the consumer and citizen benefits and the general individualization of services that information technology brought, computer use also set off public fears that computers could greatly augment organizational power over social and political life, and that virtually-invisible, databank-driven decision-making could become widespread.

The second major change was the cultural and political transformation of the Sixties. New

personal and sexual lifestyles, new equality rights for minorities and women, and new concepts of consumer protection and citizen due process required that the standards and procedures of the increasingly computerized record-keeping systems of business and government reflect these new concepts of legitimacy and fairness.

Creating Fair Information Practices As The Solution

To reap the benefits of technology without losing basic privacy rights, the United States moved in the early 1970s to formulate six basic computer-age privacy rules:

1. Only relevant and socially-approved personal information should be collected by private or public organizations to determine people's access to rights, benefits, and opportunities;
2. Individuals should be informed what information about them is to be collected and how it will be used;
3. Individuals should have practical procedures for inspecting their records and for raising issues as to the accuracy, completeness, and propriety of information used to make evaluative decisions about them;
4. Sensitive personal information should be circulated within the collecting organization only to those with a need to see it for legitimate purposes;
5. Disclosures of identified personal information should not be made by collecting organizations to others outside the original area of activity unless agreed to by he individual or required by legal process; and
6. Organizations must create and apply effective data security measures so that they can keep the promises of confidentiality that they have made to individuals whose information they are holding in a trustee relationship.

Given special impetus by public concern over abuse of government power during the Watergate period (1972-1974) and its aftermath, many of these "fair information practices rules" have been applied in federal and state privacy protection laws, covering both governmental and private-sector activities. Equally important, in many areas in which legislation has not been enacted, privacy rules have been adopted as voluntary codes by many hospitals, financial institutions, credit bureaus, schools and colleges, employers, insurers, credit-grantors, and other organizations in the private sector.

As one would expect, debates have continued in the 1980s over many traditional and new issues involving the proper balance among privacy, disclosure, and surveillance. Policy makers and the public have addressed privacy issues relating to abortion, AIDS testing, police use of hidden TV cameras, the use of lie detectors in employment, the right to die, and alcohol and drug testing, to cite just a few.

New Consumer Privacy Issues Surface in 1989-90

During 1989 and early 1990, there were unmistakable signs of public nervousness that some technologically-enhanced consumer information services might be crossing the line into unacceptable intrusions on personal privacy. For example:

- Feature articles in *Business Week*, *U.S. News and World Report*, the Washington *Post*, the San Francisco *Examiner-Chronicle*, the Dallas *Morning News*, and *U.S.A. Today*, and on network TV programs such the NBC "Today" show, informed the public that information given for one purpose — credit, insurance, employment, organizational memberships, publication subscriptions, charitable donations, etc. —was now being widely used for other commercial purposes without the indi-

vidual's knowledge or consent.

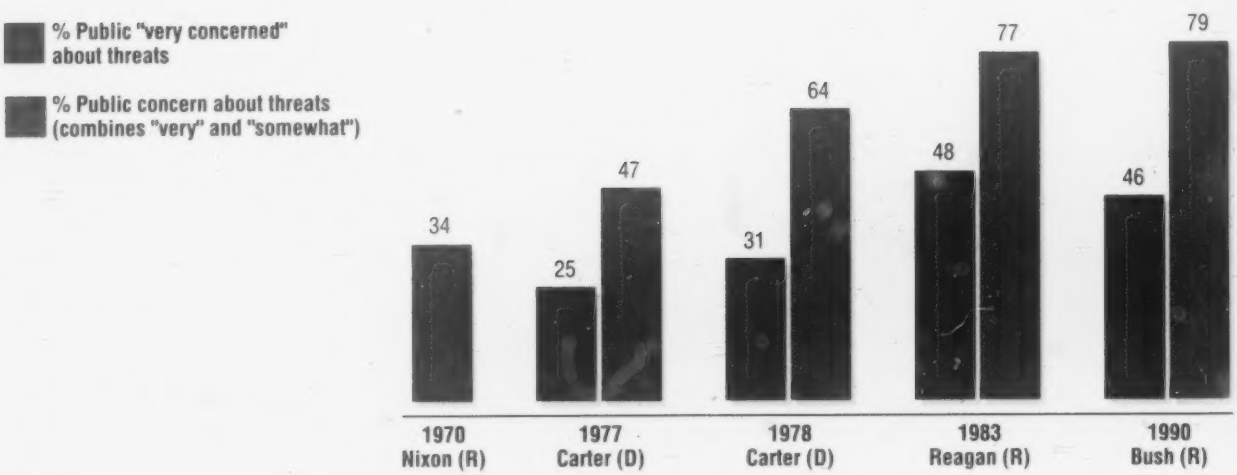
- When the Society of Consumer Affairs Professionals in Industry polled ten leading consumer advocacy organizations in 1989 as to the issues they believed would be consumer-action priorities in the 90s, a majority cited better "consumer privacy protection."
- In September, 1989, hearings began in Congress into the 20-year-old federal Fair Credit Reporting Act (FCRA), which set fair information practices rules for consumer reporting agencies serving credit grantors, insurers, and employers. The goal was to see if the FCRA needed updating in light of new technology applications.
- President Bush's Special Advisor for Consumer Affairs, Dr. Bonnie Guiton, announced a major initiative to see that American consumers and employees enjoyed "enforceable rights to privacy" in the 90s. Dr. Guiton said this would require three basic steps — creation of effective rules and procedures by business and employers; better consumer education as to rights; and some additional laws and regulations.
- Recognizing these growing concerns, spokespersons for the consumer reporting and direct marketing industries, as well as the service-provider industries, have stated that responding to consumers on "the privacy issue" will be an industry challenge in the 90s.

This was the background from which the Equifax survey on "The Consumer in the Information Age" was commissioned. The Executive Summary preceding this essay has capsulized the findings, and the chapters following my essay present the detailed data and important observations about them by the Harris organization. Let me turn now, without repeating those contributions, to four main conclusions I derive from the Equifax survey.

1. The sustained, two-decade rise in general concern over privacy by the public and business leaders reflects the low trust in institutions that has become a hallmark of contemporary American society.

The chart on the following page shows the progression of general public concern about privacy over the past twenty years. From a baseline in 1970 of one in three Americans (34%) being concerned about invasion of privacy, this outlook has climbed to 47% in 1977; 64% in 1978; 77% in 1983; and now stands at 79% in 1990—representing four out of five members of the public or 142 million adult Americans.

Concern By The Public About Threats To Their Personal Privacy: 1970 - 1990



1. For 1970, question asked by Harris: "Do you ever tend to feel that sometimes your sense of privacy is being invaded or not - that people are trying to find out things about you that are not any of their business?" (yes, no)

2. For 1977, the Harris question asked: "Now some people tell us they are concerned about what's happening to their personal privacy—the right to live their own life without others knowing more about it, or intruding into it, more than is absolutely necessary. I'd like to know if you've ever thought about that. Would you say you are very concerned about the loss of personal privacy, somewhat concerned, only a little concerned, or not concerned at all?"

3. For 1978, 1983, and 1990, the Harris question asked: "How concerned are you about threats to your personal privacy in America today?" (very concerned, somewhat concerned, not very concerned, not concerned at all.)

Computers and Watergate Explain the 1970-78 Rises

The increases from 1970 to 1978 are not hard to explain. In 1970, computer applications affecting consumers and citizens were still quite limited. While the public was divided and disturbed by the Vietnam War, race backlash, and youth-protest, a Harris survey in 1970 of alienated feelings toward society and institutions found that only 36% of the public, a similar third to those concerned over privacy threats, felt basically powerless and estranged.

By the 1977 and 1978 Harris surveys, the United States was in the troubled aftermath of the Watergate affair and post-Vietnam-War disillusion. Public confidence in government, business, and private institutions had fallen sharply. The general public had by now become aware of increased collection and computer processing of personal information about consumers and citizens by business and government. Even though, as noted earlier, major privacy protection measures such as the Fair Credit Reporting Act of 1970, the Federal Privacy Act of 1974, and many state privacy protection laws had been enacted between 1970 and 1976, growing public awareness of the uses of information databanks and skepticism about American institutions offer strong explanations for the rise in general public concern about privacy by 1978 to 64%, and why the very concerned had risen to 31%.

Distrust of Institutions and Technology As A Predictor

To test the sources of this rising privacy concern, the 1978 Harris survey developed a Public Trust Index. Respondents were asked whether they trusted government to look after their interests; whether technology was almost out of control; whether voting made any difference in what government did; and whether business helps us more than it harms us. Those taking 3 or 4 negative views were placed in a High Distrust category; those taking 2 negative positions were put into Moderate Distrust; those with 1 negative were put in Low Distrust; and those with no negative answers were classified as Not Distrustful.

The survey found that almost a majority of the American public (49%) in 1978 registered moderate to high institutional distrust. And, the higher in distrust a segment of the public was, the more these persons were worried about privacy and supportive of additional privacy-protection measures. The less distrustful respondents were, the less they were worried about threats to personal privacy in general and in most specific information-use situations.

Why No Drop In Concern in the Reagan-Bush Eras?

Then came the Reagan elections of 1980 and 1984, and the sweeping electoral victory of George Bush in 1988. The United States had experienced ten years of conservative Republican administrations in the White House, overall international peace, economic prosperity for most Americans, a widely heralded revival of pride in America, and the dramatic collapse of the Communist enemy. Fair information practices codes now covered most evaluative information systems affecting consumers and citizens and there had been no abuses of federal-government investigative or regulatory power involving privacy rights comparable to Watergate or the FBI-CIA excesses of the late 1960s and 70s.

Despite these developments, the public's general concern over threats to privacy rose in 1983 to 77% and then edged up in 1990 to 79%. (Those "very concerned" fell 2% from 1983, but the "somewhat concerned" rose 4%. Furthermore, when business leaders were asked the same question, their concern over privacy,

while not as high as the public's, had climbed from 52% in 1978 to 59% in 1983 and now stands at 67% — two out of every three business respondents — in 1990. And, in 1989, Harris found that 58% of the public registered alienation from social and political institutions.

The explanation, according to the Equifax survey results, is that distrust of institutions is still fueling the public's fears over misuse of personal information by organizational authorities. Using the identical trust-distrust index as in 1978, the Equifax survey found that moderate and high institutional distrust had not gone down in the 1980s but had, in fact, risen 6% by 1990, to 55%.

As in 1978, the Equifax survey found that those scoring highest in distrust were also highest in their general concern over privacy threats. Those highest in distrust were also highest in believing that consumers have lost control over use of their personal information; that consumers today are being asked to provide too much personal information by organizations; that consumer privacy rights are not adequately protected today by law and organizational rules; and that the Federal Government since Watergate is still seriously invading the citizen's privacy.

We will return to this theme of institutional distrust and privacy when we discuss the future of consumer privacy issues in the 90s.

2. Despite these high general concerns over privacy invasion, the public is prepared to provide personal information for consumer services when convinced that fair information practices are observed.

Though concerned about threats to their privacy and distrustful of institutions in general, the Equifax survey demonstrates that the public accepts disclosure of personal information *when consumers feel that the basic principles of fair information practices outlined earlier in this essay are observed.*

Statistically, this is indicated by the fact that the survey's Distrust Index did *not* correlate with the positions of the public on most of the 46 substantive questions we asked about credit, insurance, employment, direct marketing, law enforcement, personal morality, and publicity-privacy balances. Something else lay behind the divisions of the public when they said whether they approved or disapproved specific information practices and uses.

For example, majorities said it was all right by 54-45% for health insurers to check the previous medical-claims history of applicants; all right by 55-43% for merchants to ask consumers using a charge card for their address and phone number; all right by 69-27% to make the Caller ID service available (if subscribers can block display of their numbers if they want to); all right by 58-38% for supervisors at work to monitor telephone customer service operators for courtesy and efficiency; all right by 67-31% for credit bureaus to use statistical predictors of bankruptcy to limit credit; all right by 83-17% for employers to require drug tests for job applicants; and all right by 94-6% for credit card companies to check the credit and credit card records of persons applying for a credit card. In all of these situations, requiring disclosure of personal information or collecting it via observation or tests was judged by strong majorities to be acceptable.

Where many consumers do not feel comfortable today with information practices—as in compilation of mailing lists—I believe the answer lies in the public's sense that a proper

information agreement has not been created. American consumers will accept requirements to provide personal information if (1) they have applied for a benefit or opportunity; (2) the evaluative standards are known and meet general societal approval; and (3) there are procedures for inspection, challenge, and correction.

Why do majorities of the public consider the service or benefit in these situations to justify the information disclosure or collection? I believe it is because consumers who are in a direct relationship with a service or benefit provider (or their agent, such as a credit bureau) feel the following requirements of a fair information agreement were met:

(1) Because of the benefit sought, the consumer supplies personal information or agrees to have it supplied by others having it.
(2) The consumer knows or can learn the standards used for evaluation and decision.
(3) The consumer is given rights to see and challenge information.
(4) The organization accepts (or the law has set) duties to police improper use or unauthorized disclosure of consumer information.

Another type of situation the survey explored occurs when information collected for one purpose is obtained by that same organization or another organization and used for transactions that the consumer did not initiate. Typically, this involves direct marketing of goods and services or invitations by non-commercial organizations to support charitable or civic causes. Here, what constitutes fair information practices has not been set by law. Though consumers are not being denied a benefit or right, the compilation by list brokers and marketing companies of names, addresses, and consumer characteristics (type of car owned, neighborhood lived in, charge card used, publications subscribed to, etc.) troubles many consumers.

Several concerns underlie this feeling. At an instinctive level, many consumers feel that for a commercial entity to collect names, addresses, and consumer characteristics and store it in a computer data base, without the consumer's knowledge or agreement, appropriates some uniqueness from the consumer. It is a modern counterpart of the tribal native's belief that being photographed by the anthropologist captures and transfers some of the individual's essence to the photo-taker, and could be used to manipulate him. At a less symbolic level, many consumers believe that being on lists will bring unwanted mail or even more annoying telephone calls. They have also read in the media that renting lists from some of the list firms in the past has been on a "no questions asked" basis, and that questionable use sometimes can and have been made of such lists. This leads consumers to worry that they are "losing control" over the circulation of personal information about them.

What the survey found (the details are in Chapter 7) is that a very large public majority would consider it acceptable for original information collectors to furnish the names and addresses of persons who meet criteria as prospects for direct marketers to use in making offers to consumers if three conditions are met:

(1) Only broad categories of consumers are identified to marketers (e.g., ranges of income, not detailed financial status);
(2) Consumers can opt out of having their names furnished by the original collector or can have their names removed from mailing list databases; and
(3) Such lists will not be used to screen out or deny consumers a benefit or opportunity they apply for.

Though the survey did not ask this specifically, I believe the public would also consider it a requirement for acceptability that reasonable customer-screening policies and information security measures are followed by list companies so that only legitimate and ethical users would have access to list information.

As the Equifax survey shows, how to see that such emerging fair information practices are adopted and implemented in direct marketing operations is a strong public concern.

3. Demographic data on race, religion, political philosophy, information level, age, and computer use all shed useful light on who is most concerned about privacy.

Fifteen demographic characteristics were compared with the public totals on each of 46 substantive questions about privacy on the Equifax survey. In four such characteristics—political philosophy, race, religion, and how well informed respondents were—one subgroup demonstrated consistently greater (and statistically significant) privacy-oriented tendencies than the others in that demographic group.

Liberals were more pro-privacy on 23 out of 46 questions than moderates and conservatives; blacks were more pro-privacy on 22 of 46 questions than whites or Hispanics; Jews were more pro-privacy than Protestants and Catholics on 32 of 46 questions; and those who had read and heard more about consumer privacy issues in the past year were more privacy oriented on 18 of 46 questions.

In seven other demographics, attitudes toward privacy were mixed among the subgroups. That is, some sub-groups were more privacy oriented in some areas while other subgroups in the same category were more highly privacy oriented in other areas. This mixed pattern was the case for education, income, age, sex, type of community, region, and persons using computers at work or at home. Two of these mixed patterns are worth noting.

Age Groups And Privacy

In terms of age, there are statistically significant differences among age segments in 37 of 46 substantive questions. The most consistently pro-privacy age group is 30-49 year olds (comprising 38% of the adult population), the generation that came of age in the turbulent 60s and lived through the Vietnam War and Watergate experiences.

The generation that has grown up with computers as their natural environment (and had no direct experience with the Watergate and Vietnam War traumas)—18-29 year olds (27% of the adult population)—exhibit mixed attitudes. They are much more enthusiastic about the advantages of computer-based consumer services than the pre-computer generations. They are also more willing to engage in tradeoffs involving consumer information uses, for example in credit granting and direct marketing. But when it comes to privacy issues in insurance, employment, and law enforcement, where they presumably see their life opportunities directly at stake, the 18-29 year olds join their 30-49 year elders in adopting firm pro-privacy positions and insisting on fair information practices rules.

Those 50 and older, (35% of the adult population)—the generation of the New Deal, World War II, and the Eisenhower Fifties—are the least oriented to privacy positions overall. However, on collecting names for mailing lists, Caller ID service, and other consumer issues, they are the strongest privacy-oriented age group.

Computer Users and Privacy

Another mixed pattern that emerged involves the 45% of the population who report that they use a computer at work or have a computer at

home. While one might assume that they would be more comfortable with computerized information systems and their use than those who do not have direct experience with computers, this is not the case. Familiarity seems to breed a combination of acceptance and apprehension. Out of 46 questions, those experienced with computers differed in their views from those who do not use computers in only 17 of 46 questions, and these were widely scattered across the survey's subject areas (consumer issues, personal morality, law enforcement, employment, etc.). And, on those questions where there were differences, computer users were more pro-privacy on 12 of these questions and less pro-privacy on 5 others.

4. Lowering general public concern over threats to privacy will not be easy, but there are important ways to work on enhancing legitimate consumer privacy interests in specific situations.

Reducing General Concerns Over Privacy Is Not Likely

Given the continuing distrust of American institutions, it will not be easy in the 1990s to lessen general public concern about threats to privacy. The unusually high non-response rate to the 1990 Census exemplifies this problem.

There is widespread dismay among the public that neither government nor business seem able to deal effectively with pressing social problems such as the national deficit, the savings and loan crisis, environmental decline, homelessness, the quality of public education, crime and drugs, and urban deterioration, to cite only some of the challenges. And, since government collection and consolidation of information about citizens is seen as part of the problem, looking to government to be an effective administrative solution does not draw majority support. This probably underlies the survey finding that a majority of the public does not endorse creating a national privacy protection agency in the U.S. with regulatory powers, as in nations such as Sweden, France and West Germany, where citizens traditionally and today have greater trust in government administration.

What kinds of measures do the survey findings suggest the American public is seeking for reasonable consumer privacy? Three areas are clearly indicated.

Updating of Consumer Privacy Laws

What the Equifax data suggest to me is that the public is seeking to have basic fair information practices legislation such as the Fair Credit Reporting Act reviewed and updated. Public attitudes would support, I believe, setting ground rules for the new secondary uses of consumer information covered in the survey; regulating some presently-unregulated information brokers trading in personal data (known as "super-bureaus"); strengthening the rules and sanctions against misuse of consumer data; and similar improvements.

The Creation of New Information Property Rights for Consumers

The Equifax survey suggests that consumers want to be informed and empowered in a service economy built and running on their per-

sonal data. For this to happen, I believe we will need to develop some imaginative new concepts of personal information ownership and control.

When commercial advertising arose in the early 20th century, American courts stepped in to require advertisers to obtain advance permission and provide appropriate compensation before they could use the name or likeness of celebrities or notables for commercial purposes. Something of the same notion could be developed when information suppliers and direct marketers seek to use the highly valuable consumer profiles of individuals for commercial purposes in the 1990s.

Consumers should have opportunities to opt in or opt out of particular consumer-profile information systems, and they should receive some kind of compensation, such as discounts or special offers, if they agree to have their valuable profiles used. In short, ways need to be found to make consumers informed partners in the use of their personal information, especially when it is not the consumer who has initiated an application for credit, insurance, or employment but when a commercial or noncommercial entity seeks to target consumers for an offer they initiate.

At the same time, consumer information collectors probably need to have the legal right to obtain *punitive* damages against anyone misusing consumer data or obtaining it unlawfully. If credit bureaus, consumer reporting firms, mailing list companies, insurers, and employers are to function as trustees of the consumer personal information they hold, then they will need stronger practical weapons to deter intruders than they presently have.

The Need for Pro-Active Policies By Business and Industry

For companies that produce consumer reports and the industries they serve, one central implication of the Equifax survey is unmistakable: with ownership of powerful computer systems and trusteeship of consumer personal data go responsibilities to develop new consumer privacy protections in new technology applications. For example, it is time that the major credit-reporting firms and the credit-reporting industry establish a computer-based procedure by which corrections made in a consumer's credit report in one company, after a disclosure and reinvestigation of a disputed item, are made simultaneously in the credit-reporting databases of other companies. It is also time that national, toll-free numbers be established by consumer reporting agencies so that consumers can get immediate, responsive answers to their questions, or be directed to the proper source of an evaluative decision made on the basis of a report.

The Equifax survey also suggests to me that companies will have to communicate more directly to consumers why they are collecting certain information to make evaluative judgments in credit, insurance, or employment, to persuade consumers of the fairness of standards. Companies and the information reporting and marketing industries as a whole also need to educate consumers more effectively about the availability of their fair information practices rights and how to use them.

One finding of the Equifax survey suggests how this can be done. About 20% of the business leaders surveyed said their company's philosophy was to be a pioneer in developing new consumer privacy protections, rather than wait until an industry consensus formed or legislation was enacted. Important innovations in consumer privacy protection over the past two decades have come from just such proactive steps by individual companies, which then set industry standards and were often used as the basis for workable legislation. Examples are IBM's pioneering of employee privacy policies in the early 1970s, and Warner-Amex's privacy code in the early 1980s for its two-way cable-TV subscribers. In the 1990s, I

believe companies that develop new ways to make consumers informed partners in the use of their personal data for consumer opportunities will not only serve the public interest but will also reap substantial market advantages through such programs.

Consumer protection agencies at the federal and state levels, such as the U. S. Office of Consumer Affairs, also have major roles to play in publicizing the availability of consumer privacy rights, flagging new problems arising from new information practices, and publicizing good practices of companies as models for industry generally to consider.

The Role of Consumer Advocacy Groups

The Equifax survey indicates that 83% of the American public considers it important that "consumer advocacy groups work to protect people's privacy by exposing abuses, bringing lawsuits, and sponsoring legislation." Such advocacy, and the prospect of legislation either ratifying good industry practice or bringing standards up to what the public expects, promise to provide the focused attention and creative tension that will encourage individual businesses and industry groups to be responsive to the public demands expressed in the Equifax survey—that reasonable expectations of consumer privacy be updated and effectively protected in the information-rich 90s.

Major Findings & Observations

PUBLIC AND LEADERSHIP CONCERNS ABOUT PRIVACY

Concern with threats to personal privacy is widespread in America today, and is higher in 1990 than it was when Louis Harris and Associates conducted detailed studies of public and leadership opinion in 1978* and 1983.** This concern cuts across all demographic breakdowns in American society, with at least two-thirds majorities in every group surveyed expressing their concern.

The basic level of concern is measured by asking all groups: "How concerned are you about threats to your personal privacy in America today — very concerned, somewhat concerned, not very concerned, or not concerned at all?" This level of concern is seen to be very high, with fully 46% of those surveyed saying they are "very concerned" and an additional 33% saying they are "somewhat concerned" about threats to their privacy in today's America. By contrast, in December 1978, only 64% were "very" or "somewhat concerned" about the threats to personal privacy, compared to 77% in October 1983 and 79% in January 1990. A rise of 13% from 1978 to 1983 (64% to 77%) and a continued rise to 79% by 1990 represent a significant and steadily rising trend in public opinion. The dramatic shift took place in the 1978-1983 interval.

The greatest amount of concern is shown by blacks (86%), Hispanics (85%), women (85%), high school graduates (84%), those with a household income between $15,001 and $25,000, and those with unlisted phone numbers (84%). The least amount of concern is expressed by people with postgraduate degrees (68%), men (73%), college graduates (75%), and those 50 years and older (75%).

Political philosophy does not seem to be much of a factor in peoples' general concerns about privacy, with those who describe themselves as conservatives (77%), liberals (78%), and middle-of-the-roaders (80%) not differing significantly from the public as a whole in their concern with threats to their privacy.

* *The Dimensions of Privacy*: A National Opinion Research Survey of Attitudes Toward Privacy. A Louis Harris and Associates, Inc., survey for Sentry Insurance, 1978.

** *The Road After 1984*: The Impact of Technology on Society. A Louis Harris and Associates survey for Southern New England Telephone Company.

Q.A1
Table 1-1

CONCERN WITH THREATS TO PRIVACY: PUBLIC

How concerned are you about threats to your personal privacy in America today? Would you say you're very concerned, somewhat concerned, only a little concerned, or not concerned at all?

	Base	Very Concerned %	Somewhat Concerned %	Only A Little Concerned %	Not Concerned At All %	Not Sure %
Total Public 1978**	1511	31	33	17	19	1
Total Public 1983***	1256	48	29	15	7	*
Total Public 1990	2254	46	33	14	6	1
Sex						
Male	1082	39	34	17	9	1
Female	1172	52	33	11	4	1
Age						
18-29 years	541	43	38	16	3	*
30-49 years	991	47	35	13	4	*
50 and over	705	47	28	13	11	2
Education						
Less than high school	255	52	26	12	9	2
High school graduate	805	51	33	11	5	*
Attended college	581	42	37	15	5	1
College graduate	383	34	41	20	5	*
Postgraduate	222	26	42	24	8	*
Race						
White	1925	43	35	15	6	1
Black	207	64	22	10	4	-
Hispanic	122	55	30	7	8	-
Income						
Under $15,000	435	51	26	15	7	2
$15,001-$25,000	417	51	33	12	4	1
$25,001-$35,000	373	45	33	14	7	*
$35,001-$50,000	372	37	42	15	6	*
$50,001 and over	411	39	40	14	7	-
Political Philosophy						
Conservative	812	44	33	15	8	-
Middle-of-the-road	988	45	35	13	5	1
Liberal	401	49	29	15	6	1
Unlisted telephone	487	52	32	9	6	1

* Less than 0.5%
** *The Dimensions of Privacy:* A National Opinion Research Survey of Attitudes Toward Privacy. Louis Harris and Associates, Inc., 1978.
*** *The Road After 1984:* The Impact of Technology on Society. Louis Harris and Associates, Inc., 1983.

While both the public and executives in privacy-intensive industries express their concern with threats to their privacy in America today, the public seems to feel considerably more at risk.

Majorities of all groups of the leaders surveyed are concerned about threats to their personal privacy in America today, though not quite to the same extent as the public. Consumer affairs executives, with 77% "very" or "somewhat concerned" come closest to the 79% registered by the American public. Among executives of banks and thrifts 70% are "very" or "somewhat concerned," followed by 69% among human resources executives, 67% among executives of insurance companies, 66% among direct marketing executives, and 56% among executives of credit grantors.

The difference in concern between the public and the leaders can be seen more clearly in the percentage of each group who are "very concerned" about threats to their personal privacy. Whereas 46% of the public is "very concerned," no more than 27% of any one of the leaders groups expresses the same degree of concern. Among the executives in privacy-intensive industries, no more than 22% of any group shares this level of concern.

Q.A1
Table 1-2

Concern with Threats to Privacy: Public and Leaders

How concerned are you about threats to your personal privacy in America today? Would you say you're very concerned, somewhat concerned, only a little concerned, or not concerned at all?

	Base	Very Concerned %	Somewhat Concerned %	Only A Little Concerned %	Not Concerned At All %	Not Sure %
Total Public	2254	46	33	14	6	1
Privacy Intensive Industry Leaders						
Insurance	152	15	52	30	3	-
Credit Grantors	150	9	47	42	2	-
Banks and Thrifts	157	22	48	24	7	-
Direct Marketers	150	17	49	24	9	-
Human Resources	203	18	51	26	5	-
Corporate Spokespersons						
Consumer Affairs	104	27	50	21	2	-

The Distrustful Public and Concerns About Privacy

The increased general concern of respondents about their personal privacy is also shown by a different set of questions which measure attitudes toward technology and the institutions of government and business.

It was thought that the more distrustful an individual is of technology and the institutions of government and business, the more likely that person is to be concerned about threats to his or her individual privacy, and the more likely he or she is to perceive the institutions of government and business as part of that threat.

In order to determine whether this relationship exists, an index of distrust was created by asking respondents to agree or disagree with four statements. (The "negative" responses are noted below.)

1. Technology has almost gotten out of control. (45% of Americans agree.)
2. Government can generally be trusted to look after our interests. (64% of Americans *disagree*.)
3. The way one votes has no effect on what the government does. (38% of Americans agree.)
4. In general, business helps us more than it harms us. (21% of Americans *disagree*.)

These responses indicate, taken separately, that business's generally positive role in American society is accepted by a high 76% of Americans, and voting is seen as meaningful in our political system by a substantial 61% of the public. It is distrust of government, expressed by 64% of Americans, and concern over controlling applications of technology, expressed by 45% of the public, that are the primary sources of current distrust for most Americans.

In developing our distrust index, therefore, we combined the 45-65% levels of distrust toward government and technology with the 21-38% levels of distrust over business and voting to make up a four-factor general-distrust index, as follows:

"Agree" responses to items 1 and 3 or "disagree" responses to items 2 and 4 were considered distrustful answers. Respondents were then placed into one of four categories.

- ▲ Those respondents who gave distrustful responses on at least 3 of the 4 items were considered to be highly distrustful.
- ▲ Those who gave distrustful responses on 2 of the 4 items were considered to be moderately distrustful.
- ▲ Those who gave distrustful responses on only 1 of the 4 items were considered to have a low level of distrust.
- ▲ Those who did not give a distrustful response on any of the 4 items were considered to be not distrustful.

The survey finds that 23% of the total public can be categorized as being highly distrustful of technology and the institutions of government and business. Another 32% are moderately distrustful, 31% have a low level of distrust, and 14% are not distrustful.

Since 1978 there has been an increase in distrust of 6%: the highly distrustful have gone up two percentage points, the moderately distrustful have gone up four percentage points, those with low distrust have gone down three percentage points, and the not distrustful have gone down three points.

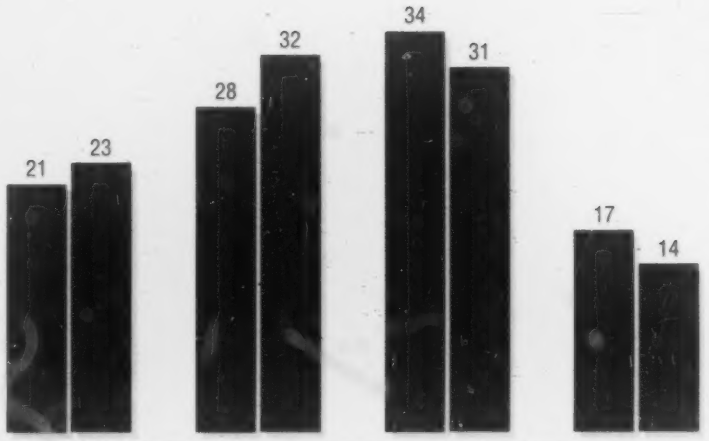
Q.A1
Table 1-3

DISTRUST: PUBLIC 1978 AND 1990

Total Public 1978* %
Base 1511

Total Public 1990 %
Base 2254

Dimensions of Privacy, Harris, 1979.



	High Distrust	Moderate Distrust	Low Distrust	Not Distrust
Percent Change	+2	+4	-3	-3

The findings from the survey show that general public concern with threats to individual privacy rises in relation to the level of distrust regarding technology and the institutions of government and business. Compared with the 79% of the total public "very" or "somewhat concerned" about threats to their personal privacy, 85% of the highly distrustful and 82% of the moderately distrustful are "very" or "somewhat concerned." Among those with low distrust, 77% are "very" or "somewhat concerned," as are 67% of those who are not distrustful.

Perhaps most revealing is the relative change of position of the moderately distrustful. In 1978, the level of general concern with threats to personal privacy expressed by the moderately distrustful (62%) was far closer to the level of concern expressed by those who were not distrustful (56%) than to the level of concern expressed by the highly distrustful (77%). In 1990, this has turned around completely. The concern expressed by the moderately distrustful (82%) is now much closer to the highly distrustful (85%) than to those who are not distrustful (67%).

The degree of general concern with threats to personal privacy in America today is further underscored by observing that fully two-thirds of those who are not distrustful of technology and the institutions of government and business still say they are concerned with threats to their personal privacy in America today.

Q.A1
Table 1-4

Distrust and Concern with Threats to Privacy: Public 1978 and 1990

How concerned are you about threats to your personal privacy in America today? Would you say you're very concerned, somewhat concerned, only a little concerned, or not concerned at all?

	Distrust 1978**/ Distrust 1990				
	Total Public %	High %	Moderate %	Low %	Not Distrustful %
Base	1511 / 2254	315 / 488	424 / 669	511 / 740	261/357
Very concerned	31 / 46	47 / 55	30 / 50	27 / 42	21/29
Somewhat concerned	33 / 33	30 / 30	32 / 32	33 / 35	35/38
Only a little concerned	17 / 14	11 / 8	20 / 12	19 / 17	17/22
Not concerned at all	19 / 6	12 / 6	17 / 5	21 / 5	26/10
Not sure	1 / 1	* / *	* / 1	1 / 1	1/1

* Less than 0.5%
** *Dimensions of Privacy*, Harris, 1979.

Do Americans Regard Privacy as a Fundamental Right?

Among the public, a better than four-to-one majority regards the right to privacy as a fundamental right equally as important as the right to life, liberty, and the pursuit of happiness specified in the Declaration of Independence. Solid majorities of executives in privacy-intensive industries agree.

By an overwhelming 79-19%, the public agrees with the contention that: "If we rewrote the Declaration of Independence today, we would probably add privacy to the list of 'life, liberty, and the pursuit of happiness' as a fundamental right."

Significant majorities of all leaders' groups, though not by as large a margin as among the public, agree: Executives of banks and thrifts agree by a 69-30% margin, consumer affairs executives by 68-32%, direct marketing executives by 61-34%, executives of insurance companies by 61-38%, human resources executives by 60-36%, and executives of credit grantors by 56-43%.

Q.J2
Table 1-5

Whether Privacy is a Fundamental Right: Public and Leaders

Do you agree or disagree with the following statement? If we rewrote the Declaration of Independence today, we would probably add "privacy" to the list of "life, liberty and the pursuit of happiness" as a fundamental right.

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
Agree	79	61	56	69	61	60	68
Disagree	19	38	43	30	34	36	32
Neither	1	-	1	-	2	1	-
Not sure	1	1	-	1	3	2	-

Balancing the Need for Privacy in Personal Relationships

In their personal lives, at least in the sphere of direct day-to-day involvement with other people, the American people feel they have a good balance between privacy and social contact. This serves to underscore their concern with the potential for invasion of their privacy when personal information is used by institutions to make decisions about the individual's access to benefits and opportunities.

The survey results reveal that, in their personal relationships, most Americans continue to maintain a balance between their need for privacy and their need for meaningful contact with other people. On four key indicators, the responses of Americans today are nearly identical with the responses of Americans in 1978:

- Ninety-three percent of Americans (compared with 94% in 1978) say: "I have some one I can share my personal problems with when I need to."
- Ninety percent of Americans (compared with 88% in 1978) say: "I am generally able to be by myself when I need to be."
- Only 32% of Americans (compared with 31% in 1978) say: "There is so much noise in today's world that I have little peace and quiet."
- Only 13% of Americans (compared with 15% in 1978) say: "I don't have much contact with people who care about me."

Q.J7
Table 1-6

Whether Various Statements Express The Way You Feel: Public 1978 and 1990

Now I'd like to read some more statements.
Please say for each one if it expresses the way you feel, or not?

	Total Public 1978** / Total Public 1990			
	Base	Expresses The Way I Feel	Does Not	Not Sure
	1511 / 2254	%	%	%
I have someone that I can share my personal problems with when I need to		94 / 93	6 / 7	1 / *
I am generally able to be by myself when I need to be		88 / 90	11 / 10	1 / *
There is so much noise in today's world that I have little peace and quiet		31 / 32	67 / 68	2 / *
I don't have much contact with people who care about me		15 / 13	84 / 86	2 / 1

* Less than 0.5%
** *Dimensions of Privacy*, Harris, 1979

Privacy and Morality

Americans are divided over whether "nonpublic" activities of a "moral" nature should be left to the individual to decide, rather than being either regulated or totally forbidden by law:

- Sixty-three percent of the public feel that "homosexual relations between consenting adults" should be left to the individual to decide. This is, however, a decline from the 70% who felt this way in 1978.
- Sixty-two percent of the public feel that "having an abortion" should be left to the individual to decide, up slightly from 59% in 1978.
- Thirty-three percent of the public feel that "smoking marijuana in a private residence" should be left to the individual to decide, down sharply from 55% in 1978.

Americans, however, are even less willing to agree that an activity which has a public dimension, such as "engaging in prostitution," should be left to the individual to decide:

- Twenty-two percent of the public feel that "engaging in prostitution" should be left to the individual to decide, down very considerably from 35% in 1978.

In another area in which a private recreational activity is seen as having a public dimension, Americans overwhelmingly favor legal intervention:

- Just under three-fourths of the public (74%) favor "the use of random police checks at toll booths to check drivers for signs of alcohol and drug intoxication."

Q J3
Table 1-7

Whether Specific Activities Should Be Matter of Private Choice: Public 1978 and 1990

I will read you some activities that some people feel are matters of private choice or consent that ought to be left to the individual, that other people feel should be regulated by law, and others feel should be forbidden by law altogether. Please tell me, for each one, how you feel that activity should be treated — should it be left to the individual, should it be allowed but regulated by law, or should it be totally forbidden by law?

	Total Public 1978**/ Total Public 1990				
	Base 1512 / 2254	Left To Individual %	Allowed But Regulated By Law %	Totally Forbidden By Law %	Not Sure %
Smoking marijuana in a private residence		55 / 33	14 / 19	29 / 48	2 / *
Homosexual relations in private between consenting adults		70 / 63	5 / 8	20 / 27	5 / 1
Having an abortion		59 / 62	17 / 16	21 / 21	3 / *
Engaging in prostitution		35 / 22	24 / 31	37 / 46	4 / 1

* Less than 0.5%.
** *Dimensions of Privacy*, Harris, 1979.

Q J4
Table 1-8

Whether Random Police Checks for Intoxication Should Be Allowed: Public

Do you favor or oppose the use of random police checks at toll booths to check drivers for signs of alcohol and drug intoxication?

		Total Public %
Base	2254	
Favor		74
Oppose		25
Not sure		1

CONCERN WITH THREATS TO PRIVACY FROM BUSINESS AND GOVERNMENTAL ORGANIZATIONS: PUBLIC AND LEADERS

A very wide gap exists between the American public and executives in privacy-intensive industries over issues relating to the privacy rights and safeguards surrounding the use by corporations of personal information about consumers. The public as a whole tends to a much greater degree than executives in privacy-intensive industries to think they've lost control over how their personal information is used and to feel that their privacy rights are not adequately protected by current laws and business practices.

- By a wide 71-27%, the public agrees that: "Consumers have lost all control over how personal information about them is circulated and used by companies."
- By a two-to-one margin (64-32%) the public does not agree with the suggestion that: "Since the Nixon Watergate episode in the early 1970s, there haven't been any really serious attempts by the federal government at invading people's privacy."
- By a narrow 51-46% margin the public does not agree with the notion that: "My privacy rights as a consumer in credit reporting are adequately protected by law and business practices."

All of the groups of leaders agree with the public in believing that there have been serious attempts since the Nixon Watergate episode in which the federal government has tried to invade people's privacy. However, those in privacy-intensive industries are less inclined than the public to think consumers have lost all control over how personal information is used by companies and are more inclined to think the privacy rights of consumers are adequately protected by legal and business practices:

- Consumer affairs executives and direct marketing executives, both by much narrower 53-46% and 53-45% margins, respectively, agree with the public that "consumers have lost all control over how personal information about them is circulated and used by companies." All of the other groups of leaders disagree with this statement: insurance industry executives disagree by 37-62%; executives of credit grantors by 40-57%; human resources executives by 43-56%; and executives of banks and thrifts by 45-55%.
- Consumer affairs executives (by 40-58%) and direct marketers (by 47-51%) again side with the public in disagreeing with the statement that "my privacy rights as a consumer in credit reporting are adequately protected today by law and business practices." The other groups of executives agree with the statement: executives of credit grantors agree by 75-24%; executives of banks and thrifts by 66-34%; insurance industry executives by 59-40%;, and human resources executives by 57-42%.

Q.J2
Table 2-1

THREATS TO PERSONAL PRIVACY: PUBLIC AND LEADERS

Do you agree or disagree with the following statements?

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-Persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
Consumers have lost all control over how personal information about them is circulated and used by companies							
Agree	71	37	40	45	53	43	53
Disagree	27	62	57	55	45	56	46
Neither	1	-	3	-	1	-	-
Not sure	2	1	-	-	-	1	1
Since the Nixon Watergate episode in the early 70s, there haven't been any really serious attempts by the federal government at invading people's privacy							
Agree	32	24	27	24	29	27	28
Disagree	64	70	61	68	61	66	60
Neither	1	2	3	1	2	1	1
Not sure	4	3	9	7	7	6	12
My privacy rights as a consumer in credit reporting are adequately protected today by law and business practices							
Agree	46	59	75	66	47	57	40
Disagree	51	40	24	34	51	42	58
Neither	1	-	1	-	-	*	1
Not sure	2	1	-	1	2	1	1

*Less than 0.5%.

How Well Informed Are Americans About Potential Misuse of Computerized Information

While almost four out of every five in the total public are concerned about threats to their personal privacy, slightly more than half as many have heard or read about potential misuse of consumer information within the past year. Among executives in each of the privacy-intensive industries, the percentage concerned about threats to their own personal privacy more closely matches the percentage who have, within the past year, heard or read about the potential misuse of consumer information.

Only about two out of every five Americans (41%) have, within the past year, heard or read "a great deal" or "quite a lot" about "the use and potential misuse of computerized information about consumers."

Compared with the public, the groups of leaders are much more likely to have heard or read about the use and potential misuse of consumer information: 74% of direct marketers say they've heard or read "a great deal" or "quite a lot" about it, as do 68% of human resources executives; 68% of insurance company executives; 66% of consumer affairs executives, 64% of executives of banks and thrifts; and 56% of executives of credit grantors.

Observation:

Those people who are informed about potential misuse of computerized information are more likely to be concerned about threats to their personal privacy in America today (84%) than people who are not informed (76%). However, it is clear from the three-quarters majority among the not informed that concern over threats to personal privacy is quite pervasive even among the segment of the population which hasn't encountered many reports about the potential misuse of computerized information.

Q A2
Table 2-2

Familiarity with Reports About Misuse of Consumer Information: Public and Leaders

How much have you heard or read during the last year about the use and potential misuse of computerized information about consumers — a great deal, quite a lot, not much, or nothing at all?

		Heard or Read				
	Base	A Great Deal %	Quite A Lot %	Not Much %	Nothing At All %	Not Sure %
Total Public	2254	13	28	46	12	*
Privacy Intensive Industries Leaders						
Insurance	152	11	57	31	1	-
Credit Grantors	150	13	43	43	1	-
Banks and Thrifts	157	14	50	33	2	1
Direct Marketers	150	25	49	25	-	1
Human Resources	203	17	51	32	*	-
Corporate Spokespersons						
Consumer Affairs	104	16	50	32	2	-

*Less than 0.5%.

Apprehension Over Revealing Personal Information: Public and Leaders

Thirty percent of the American public today, compared with only 14% in 1978, say they have decided not to apply for something like a job, credit, or insurance because they did not want to provide certain kinds of information about themselves. The results of this question do not differ markedly by the income, sex, or race of the respondent. People over the age of fifty, however, are less likely (24%) to have decided not to give up personal information in order to apply for a job, credit, or insurance.

In most cases, the leaders' groups surveyed did not differ greatly from the American public. Among executives of banks and thrifts, 34% have decided not to apply for a job, credit or insurance because they did not want to provide certain information about themselves, compared with 31% among consumer affairs executives, 28% among direct marketing executives, 27% among executives of insurance companies, 27% among human resources executives, and 23% among executives of credit grantors.

Observation:

The more than 100% increase since 1978 in the percentage of Americans who have opted *not* to apply for a job, credit, or insurance rather than provide certain personal information may be a strong indicator, in practical terms, of the unease felt by the American public concerning how personal information is used by large organizations. This sense of unease is shared by many executives in privacy-intensive industries.

Q.A5
Table 2-3

Whether Have Ever Not Applied For Something Due To Required Personal Information: Public

Have you ever decided *not* to apply for something, like a job, credit, or insurance, because you did not want to provide certain kinds of information about yourself?

	Base	Yes, Decided Not to Apply %	No, Didn't %	Not Sure %
Total Public 1978**	1496	14	85	1
Total Public 1990	2254	30	69	1
Sex				
Male	1082	29	70	*
Female	1172	31	69	1
Age				
18-29	541	34	65	1
30-49	991	34	66	-
50 and over	705	24	76	1
Education				
Less than high school	255	23	76	1
High school graduate	805	30	69	*
Attended college	581	40	60	*
College graduate	383	27	73	*
Postgraduate	222	29	71	*
Race				
White	1925	29	70	1
Black	207	33	67	-
Hispanic	122	34	66	-
Income				
Under $15,000	435	28	71	1
$15,001-$25,000	417	32	68	*
$25,001-$35,000	373	33	67	-
$35,001-$50,000	372	29	70	1
$50,001 and over	411	29	71	*
Political Philosophy				
Conservative	812	27	73	-
Middle-of-the-road	998	31	69	1
Liberal	401	35	64	1

* Less than 0.5%.
** *Dimensions of Privacy*, Harris, 1979.

Q.A5
Table 2-4

Whether Have Ever Not Applied For Something Due To Required Personal Information: Public and Leaders

Have you ever decided *not* to apply for something, like a job, credit, or insurance, because you did not want to provide certain kinds of information about yourself?

	Base	Yes, Decided Not to Apply %	No, Didn't %	Not Sure %
Total Public 1990	2254	30	69	1
Privacy Intensive Industries Leaders				
Insurance	152	27	73	-
Credit Grantors	150	23	77	1
Banks and Thrifts	157	34	66	1
Direct Marketers	150	28	71	1
Human Resources	203	27	73	-
Corporate Spokespersons				
Consumer Affairs	104	31	69	-

Even larger segments of the public have refused to give information to a business or company because they thought it was not really needed or too personal. By contrast, far fewer have refused, for the same reasons, to give information to a government agency:

- Forty-two percent of the public have refused to give information to a business or company because they thought the information either wasn't needed or was too personal. The leaders surveyed were even more likely than the public to have refused to give information for these reasons, with between 59% and 70% of each group of executives having refused;
- Fourteen percent of the public have refused to give information to a government agency because they thought the information either wasn't needed or was too personal. Except for human resources executives who are more likely (22%) than the public to have refused to give information for these reasons, the groups of executives surveyed are about as likely (between 13% and 17%) as the public to have refused.

Q.A6
Table 2-5

Whether Ever Refused To Give Information Because Not Needed or Too Personal: Public and Leaders

Have you ever refused to give information to (*read each item*) because you thought it was not really needed or was too personal, or haven't you?

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
A business or company							
Yes, have	42	61	59	59	67	70	68
No, haven't	57	39	39	41	33	29	31
Not sure	*	1	1	-	-	*	1
A government agency							
Yes, have	14	13	15	14	17	22	17
No, haven't	86	87	85	86	81	77	81
Not sure	1	-	1	-	2	1	2

*Less than 0.5%.

How Organizations Collect and Use Information About Consumers: Public and Leaders

In assessing how information about consumers is collected and used, the American public and executives in privacy-intensive industries express widespread concern over being asked to provide excessively personal information, and over inaccuracies and mistakes in the information collected. Both groups express a lesser degree of concern over sharing of information by companies in the same industry.

The samples surveyed were asked about three specific criticisms of how organizations collect and use information about individual consumers. In response:

- Nearly three out of every five Americans (59%) think "the sharing of information by companies in the same industry" is only "a minor problem" or "not a problem." Considerably larger percentages of the leaders surveyed agree: 70% of consumer affairs executives; 75% of human resources executives; 77% of insurance executives; 81% of executives of banks and thrifts; 83% of direct marketing executives; and 84% of executives of credit grantors;
- Fifty-seven percent of the American public think that "consumers being asked to provide excessively personal information" is "a major problem," as do 61% of consumer affairs executives. Forty-two percent of human resources executives agree, as do 41% of insurance industry executives, 40% of direct marketing executives, 37% of executives of credit grantors, and 36% of executives of banks and thrifts;
- Fifty-four percent of the American public think that "inaccuracy and mistakes" are "a major problem," as do a higher 65% of consumer affairs executives and 58% of human resources executives, and 51% of insurance industry executives. Nearly half of executives of banks and thrifts (48%), direct marketing executives (47%), and executives of credit grantors (46%) agree.

Q.A4
Table 2-6

Criticisms of Organizations That Collect and Use Information About Consumers: Public and Leaders

I will read a list of criticisms sometimes made about organizations that collect and use information about individual consumers. Please say for each one if you think it is a major problem, a minor problem, or not a problem?

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public	Insurance	Credit Grantors	Banks And Thrifts	Direct Marketers	Human Resources	Consumer Affairs
	%	%	%	%	%	%	%
Base	2254	152	150	157	150	203	104
Consumers being asked to provide excessively personal information							
A major problem	57	41	37	36	40	42	61
A minor problem	33	50	53	54	45	48	27
Not a problem	10	9	9	10	15	9	13
Not sure	1	-	1	-	-	*	-
Inaccuracy and mistakes							
A major problem	54	51	46	48	47	58	65
A minor problem	39	44	51	50	50	41	32
Not a problem	6	5	3	3	3	1	3
Not sure	1	-	-	-	-	-	-
The sharing of information by companies in the same industry							
A major problem	39	22	16	19	17	25	28
A minor problem	43	61	59	63	58	59	52
Not a problem	16	16	25	18	25	16	18
Not sure	2	-	1	-	1	1	2

*Less than 0.5%.

Rating Types of Organizations on Responsible Use of Information: Public and Leaders

The public and the leaders were asked to rate how much they trust twelve types of organizations to collect and use information about people like themselves in a responsible way. Each person interviewed was asked to rate the organizations on a scale from 1 to 10, with 1 meaning "you don't trust them at all" and 10 meaning "complete trust in them." Responses were then grouped into categories, with 8-10 denoting a high degree of trust, 4-7 denoting a moderate degree of trust, and 1-3 denoting a low degree of trust.

Among the public, hospitals (81%) and the Census Bureau (81%) are most likely to be accorded a high or moderate degree of trust in the responsible use of information, followed closely by employers (77%), the Social Security Administration (76%), and telephone companies (76%). Farther back, and grouped closely together, are life insurance companies (68%), the IRS (67%), health insurance companies (67%), companies which provide employers with information about job applicants (65%), auto insurance companies (61%), and credit bureaus (59%). Trailing all other types of organizations in terms of a high or moderate degree of trust in the responsible use of information about people are companies which sell to consumers at their homes by direct mail or telephone (34%).

Executives tend to have a higher degree of trust in companies in their own industry or in related industries but react much like the rest of the public when considering other types of organizations:

- Ninety-three percent of insurance company executives have a high or moderate degree of trust in life insurance companies, compared with 68% of the American public and between 58% and 79% of the other executive groups;
- Ninety-two percent of insurance company executives have a high or moderate degree of trust in health insurance companies, compared with 67% of the American public and between 62% and 78% of the other executive groups;
- Eighty-seven percent of insurance company executives have a high or moderate degree of trust in auto insurance companies, compared with 61% of the American public and between 54% and 78% of the other executive groups;
- Eighty-six percent of executives of banks and thrifts and 80% of executives of credit grantors have a high or moderate degree of trust in credit bureaus, compared with 59% of the American public and between 63% and 68% of the other executive groups;
- Seventy percent of direct marketing executives have a high or moderate degree of trust in companies which sell to consumers at their homes by direct mail or by telephone, compared with 34% of the American public and between 27% and 35% of the other executive groups.

Q.A3
Table 2-7

How Much Organizations Are Trusted With Information About People: Public and Leaders

I will read a short list of organizations which collect and use information about consumers. On a scale from "1" to "10", *how much do you trust them* to collect and use information about people like you in a responsible way, where "1" means you do not trust them at all and "10" means you have complete trust in them?

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
Health insurance companies							
High	18	33	11	15	19	18	17
Moderate	49	59	67	62	54	59	45
Low	32	9	21	21	25	23	37
Not sure	1	-	1	2	1	-	1
Life insurance companies							
High	20	43	20	20	19	19	18
Moderate	48	50	57	59	57	56	40
Low	30	7	23	19	24	26	41
Not sure	2	-	-	1	1	-	-
Auto insurance companies							
High	17	30	15	10	11	9	11
Moderate	44	57	56	68	54	52	43
Low	37	13	28	23	35	38	46
Not sure	1	-	1	-	-	1	-
Companies which sell to consumers at their homes by direct mail or by telephone							
High	6	1	3	4	21	3	5
Moderate	28	27	24	24	49	28	30
Low	64	72	73	71	28	68	65
Not sure	1	-	-	1	1	1	-
Telephone companies							
High	27	24	23	23	29	23	22
Moderate	49	62	61	64	57	62	58
Low	23	14	16	13	14	15	19
Not sure	1	-	-	1	1	*	1

(Continued)

Q.A3
Table 2-7

How Much Organizations Are Trusted With Information About People: Public and Leaders

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
Credit bureaus							
High	17	11	32	43	17	15	17
Moderate	42	57	48	43	49	53	43
Low	39	33	20	14	34	32	37
Not sure	3	-	-	-	-	*	-
Companies which provide employers with information about job applicants							
High	17	12	17	15	15	10	11
Moderate	48	64	63	64	53	65	63
Low	31	20	19	15	29	24	24
Not sure	4	4	1	6	3	1	2
Employers							
High	28	31	39	48	37	42	38
Moderate	49	58	52	46	57	50	55
Low	20	11	9	6	5	7	7
Not sure	2	1	1	1	1	1	1
Hospitals							
High	37	34	32	22	35	31	32
Moderate	44	52	57	62	50	63	53
Low	18	13	8	8	14	6	13
Not sure	1	1	3	7	1	1	2
The IRS (Internal Revenue Service)							
High	28	26	24	23	33	31	17
Moderate	39	57	49	47	42	48	51
Low	32	17	27	30	25	21	32
Not sure	1	-	-	-	-	-	-

(Continued)

Q.A3
Table 2-7

How Much Organizations Are Trusted With Information About People: Public and Leaders

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
Social Security Administration							
High	34	34	35	30	37	33	26
Moderate	42	56	53	52	46	54	55
Low	22	7	11	15	15	11	18
Not sure	1	3	1	3	3	1	1
Census Bureau							
High	36	36	29	33	55	30	40
Moderate	45	53	59	45	36	61	40
Low	17	9	11	18	9	8	17
Not sure	2	2	1	4	1	1	2

*Less than 0.5%.

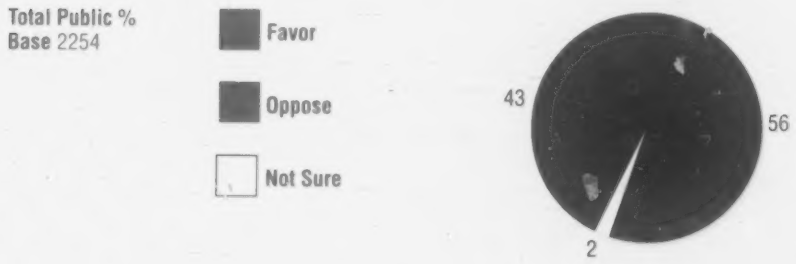
Privacy and Government

One indication of an individual's attitude toward privacy in relation to governmental institutions is whether a person favors or opposes a national work identification card. Everyone in the public sample was asked: "Would you favor the government requiring a national work identification card for all working Americans, both citizens and noncitizens? Supporters believe this would help to identify illegal aliens. Opponents see this as a dangerous threat to privacy. Would you favor or oppose such a requirement?" Overall, 43% of the public is in favor of a national work identification card. In 1978, in a differently worded question, 37% of the public favored the proposal that "identity cards should be issued by the government to all Americans so that it would be easier to find suspected criminals and illegal aliens."

Q.J5
Table 2-8

Whether A National Work Identification Card Should Be Required: Public

Would you favor the government requiring a national work identification card for all working Americans, both citizens and noncitizens? Supporters believe this would help to identify illegal aliens. Opponents see this as a dangerous threat to privacy. Would you favor or oppose such a requirement?



Another series of questions explored the public's attitude to privacy concerns in governmental contexts:

- By a 64-35% margin, the public agrees that: "The press goes too far in investigating the private lives of politicians."
- By a 59-38% margin, the public agrees that: "Government should be able to make extremist political groups file their membership lists with government authorities."
- By a 58-37% margin, the public agrees that: "Federal freedom of information laws have gone too far in letting individuals and businesses get government documents."

Observation:

The American public appears to weigh on a case-by-case basis the right of an individual to personal privacy against the need of institutions to collect and control access to sensitive information. In rejecting a national work identification card and in siding with politicians against a too intrusive press, concern for personal privacy appears more important. However, in agreeing that government should be able to require extremist groups to furnish their membership lists to governmental authorities, and in thinking federal freedom of information laws have gone too far, the public regards the need of governmental institutions to collect and control access to information as being more important than personal privacy.

Q.J6
Table 2-9

WHETHER AGREE OR DISAGREE WITH SELECTED STATEMENTS: PUBLIC

Do you agree or disagree. . . ?

	Total Public %
Base	2254
The press goes too far in investigating the private lives of politicians	
Agree	64
Disagree	35
Neither	1
Not sure	*
Government should be able to make extremist political groups file their membership lists with government authorities	
Agree	59
Disagree	38
Neither	1
Not sure	2
Federal freedom of information laws have gone too far in letting individuals and businesses get government documents	
Agree	58
Disagree	37
Neither	1
Not sure	4

*Less than 0.5%.

Prospects for Maintaining Privacy From Unreasonable Invasions by Government

The executives surveyed are remarkably pessimistic about whether ten years from now we will be able to keep our privacy free from unreasonable invasions by government:

- Majorities of consumer affairs executives (66%), executives of credit grantors (57%, compared with 31% in 1978), executives of banks and thrifts (55%, compared with 20% of bank executives in 1978), and human resources executives (54%) believe we will have lost much of our ability to keep important aspects of our lives private from the government;
- Just under half of insurance industry executives (47%, compared with 19% in 1978) and direct marketing executives (47%) feel this way.

Observation:

The extent to which the executives surveyed feel that government will in the near future be invading privacy in an unreasonable fashion further illustrates the general unease that Americans today feel concerning threats to their personal privacy by government.

Q.A8
Table 2-10

Ability To Maintain Privacy From Government Ten Years From Now: Leaders

When you think about what life in the U.S. will be like 10 years from now, do you believe we will have lost much of our ability to keep important aspects of our lives private from the government, or do you believe we will still be able to keep our privacy free from unreasonable invasions by government?

	1978* / 1990					
	Privacy-Intensive Industries					Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	36 / 152	72 / 150	35 / 157	- / 150	- / 203	- / 104
Will have lost much	19 / 47	31 / 57	20 / 55	- / 47	- / 54	- / 66
Will still be able to keep privacy	75 / 52	67 / 43	80 / 44	- / 50	- / 44	- / 31
Not sure	6 / 1	3 / -	- / 1	- / 3	- / 2	- / 3

* *Dimensions of Privacy*, Harris, 1979.

Chapter 3: How Consumers Would React To The Loss Of Opportunities Made Possible Through The Use Of Computerized Information

There is a reverse side to the widespread concern among the American public concerning how organizations collect and use personal information. This can be seen in how people say they would react if the opportunities made possible by the use of computerized information about individuals were not available to them.

More than three out of four Americans (78%) say they would be "very or somewhat upset" if they could not obtain credit based upon their record of paying bills. This feeling is shared by at least 70% of all subgroups of the population when broken down by sex, age, race, and education.

Whether Upset If Could Not Obtain Credit: Public

If you could not obtain credit based upon your record of paying bills, would you be very upset, somewhat upset, not very upset, or not at all upset?

	Base	Very Upset %	Somewhat Upset %	Not Very Upset %	Not Upset At All %	Not Sure %
Total Public	2253	56	22	7	15	1
Sex						
Male	1018	53	22	6	18	*
Female	1235	58	21	7	12	1
Age						
18-29 years	505	48	29	9	14	*
30-49 years	990	57	21	7	14	*
50 years and over	734	59	17	5	17	1
Education						
Less than high school	264	51	21	8	19	1
High school graduate	794	56	21	7	16	*
Some college	570	57	23	6	14	1
College graduate	357	55	29	7	9	*
Postgraduate	253	67	17	4	10	2
Race						
White	1934	57	21	7	14	1
Black	186	50	21	7	20	1
Hispanic	133	51	28	5	17	*
Household Member						
Bought/Responded to credit offer by mail	883	61	21	6	11	*
Hasn't bought/responded to credit offer by mail	1345	53	22	7	17	1

*Less than 0.5%.

Nearly half of the American public (44%) say they would be "very or somewhat upset" if they could not use a credit card to buy goods or pay for services. Age and education are more of a factor than sex and race in whether someone says they would be upset. A majority of people between the ages of eighteen and twenty-nine (53%) say they would be upset, while only 35% of people fifty and over say they would be upset. People with postgraduate degrees (59%) and college graduates (53%) are more likely than the rest of the population say they would be upset. Also a factor is whether in the past year someone in the individual's household has purchased goods or services or responded to offers of credit through the mail. In households where someone has done one of these things, 53% of those surveyed say they would be upset at not being able to use a credit card to buy goods or services, while in households where nobody has done one of these things, only 38% say they would be upset.

Q.4
Table 3-2

Whether Upset If Could Not Use Credit Card: Public

If you could not use a credit card to buy goods or pay for services, would you be very upset, somewhat upset, not very upset, or not at all upset?

	Base	Very Upset %	Somewhat Upset %	Not Very Upset %	Not Upset At All %	Not Sure %
Total Public	2253	19	25	17	37	2
Sex						
Male	1018	18	25	16	39	2
Female	1235	19	26	18	35	2
Age						
18-29 years	505	18	35	17	30	*
30-49 years	990	19	27	21	32	1
50 years and over	734	19	16	12	48	4
Education						
Less than high school	264	21	19	9	46	5
High school graduate	794	16	24	18	40	1
Some college	570	16	29	21	33	1
College graduate	357	21	32	22	24	1
Postgraduate	253	29	30	20	21	-
Race						
White	1934	18	26	18	36	2
Black	186	16	24	12	48	-
Hispanic	133	29	20	14	37	-
Household Member						
Bought/Responded to credit offer by mail	883	23	30	17	28	2
Hasn't bought/responded to credit offer by mail	1345	16	22	17	43	2

*Less than 0.5%.

Nearly four Americans in ten (39%) would be "very or somewhat upset" if they could not receive at home mail offers or catalogs geared to their interests. Age is the only demographic variable which has a significant effect on whether an individual would be upset. Forty-four percent of people between eighteen and twenty-nine would be upset, while only 31% of people fifty and over would be upset. Responses do not vary significantly by sex, race, or level of education. As might be expected, people who live in households where someone has within the past year purchased goods or services or responded to offers of credit through the mail are more likely to be upset (47%) than people who live in households where nobody has (33%).

Q.5
Table 3-3

Whether Upset If Could Not Receive Mail Offers of Catalogs: Public

If you could not receive at home, mail offers or catalogs geared to your interests, would you be very upset, somewhat upset, not very upset, or not at all upset?

	Base	Very Upset %	Somewhat Upset %	Not Very Upset %	Not Upset At All %	Not Sure %
Total Public	2253	14	25	23	38	1
Sex						
Male	1018	12	25	22	41	*
Female	1235	15	25	23	36	1
Age						
18-29 years	505	14	30	24	32	-
30-49 years	990	13	28	24	35	*
50 years and over	734	13	18	20	47	2
Education						
Less than high school	264	14	23	17	44	2
High school graduate	794	14	24	24	38	*
Some college	570	13	27	25	35	*
College graduate	357	10	29	27	34	*
Postgraduate	253	15	24	23	36	1
Race						
White	1934	14	25	23	37	1
Black	186	12	21	18	49	-
Hispanic	133	10	27	22	41	-
Household Member						
Bought/Responded to credit offer by mail	883	16	31	23	30	1
Hasn't bought/responded to credit offer by mail	1345	12	21	23	43	1

*Less than 0.5%.

Just under a quarter of the public (23%) would be "very or somewhat upset" if they could not receive at their home new offers of credit. While considerably smaller than the percentages who would be upset at not being able to obtain credit based on their record of paying bills, use a credit card to pay for goods or services, or receive mail offers or catalogs geared to their interests, this 23% of the adult population represents approximately 42,500,000 people.

Observation:
These results clearly show that an extremely large segment of the American public would be upset if they could not obtain and use credit or receive offers of credit or goods and services through the mail. For most Americans, then, there is a pragmatic approach taken toward the use of personal information by large organizations. While many people are concerned about how large organizations collect and use personal information, they at the same time value highly the opportunities that the collection and use of personal information make possible.

Q.6
Table 3-4

Whether Upset If Could Not Receive New Offers of Credit: Public

If you could not receive at your home, by mail or telephone, new offers of credit, would you be very upset, somewhat upset, not very upset, or not at all upset?

	Base	Very Upset %	Somewhat Upset %	Not Very Upset %	Not Upset At All %	Not Sure %
Total Public	2253	7	16	21	56	1
Sex						
Male	1018	7	16	21	56	*
Female	1235	6	16	21	56	1
Age						
18-29 years	505	7	26	30	36	*
30-49 years	990	5	15	21	58	*
50 years and over	734	8	8	15	67	2
Education						
Less than high school	264	10	18	20	51	1
High school graduate	794	8	16	21	55	1
Some college	570	4	14	25	56	1
College graduate	357	3	13	22	61	1
Postgraduate	253	3	11	18	67	1
Race						
White	1934	6	15	21	57	1
Black	186	8	20	22	50	*
Hispanic	133	10	21	18	51	-
Household Member						
Bought/Responded to credit offer by mail	883	6	21	25	47	1
Hasn't bought/responded to credit offer by mail	1345	7	12	19	61	1

*Less than 0.5%.

WHAT PERSONAL INFORMATION IT IS PROPER FOR EMPLOYERS TO COLLECT

One important dimension of the employer-employee relationship that relates to personal privacy is the propriety of personal information collected by employers about job applicants and about employees. Both the public sample and the human resources executives were asked whether it would be appropriate for prospective employers to collect certain types of information about job applicants. In each case, the public is more likely to think the collection of a certain type of information from job applicants is appropriate:

- Four-fifths (80%) of the public and 74% of human resources executives think it is appropriate to "check to find out whether the applicant has a criminal record";
- A majority (55%) of the public, but only 38% of human resources executives think it is appropriate to "ask that the applicant take a written honesty test";
- Nearly half (46%) of the public, but only 23% of human resources executives think it is appropriate to "ask that the applicant take an AIDS test";
- Only 12% of the public and 6% of human resources executives think it is appropriate to "check into the applicant's lifestyle or political associations."

Q.H1
Table 4-1

WHAT INFORMATION IS ACCEPTABLE TO COLLECT ABOUT JOB APPLICANTS: PUBLIC AND HUMAN RESOURCES

If someone is applying for a job, do you feel it would be appropriate for a prospective employer to (*read each item*), or not?

	Total Public / Human Resources				
	Base 1511 / 203	Appropriate %	Not Appropriate %	Depends On The Job %	Not Sure %
Check to find out whether the applicant has a criminal record		80 / 74	14 / 9	5 / 17	* / -
Ask that the applicant take a written honesty test		55 / 38	40 / 51	4 / 9	2 / 1
Ask that the applicant take an AIDS test		46 / 23	44 / 70	8 / 6	2 / 1
Check into the applicant's lifestyle or political associations		12 / 6	85 / 88	3 / 5	* / -

*Less than 0.5%.

In practice, most human resources executives say their companies do not collect very much potentially sensitive information about the family situation and lifestyle of job applicants. Furthermore, they are virtually unanimous in saying that unusual but legal off-the-job lifestyle choices should have no bearing at all of whether an individual is offered a job or is allowed to remain in a job. They say their companies, for the most part, do not collect much of a wide array of types of personal information about job applicants:

- One-third (33%) say their company sometimes asks job applicants what an applicant's off-the-job hobbies or activities are;
- One-sixth (17%) say their company asks about an applicant's marital status;
- Only 4% say their company asks whether an applicant ever smokes off the job;
- Only 1% say their company asks if the candidate is living with someone of the opposite sex and not a family member;
- Only 1% say their company asks if the candidate has elderly parents;
- Less than one-half of one percent say their company asks if the applicant plans to have children;
- Less than one-half of one percent say their company asks an applicant's religious preference.

Observation:
The difference between the human resources executives and the public is probably that human resources executives know that most of the types of inquiries listed above would be illegal under various state and federal laws. The responses also indicate that employers are complying strongly with the philosophy that non-job-relevant off-the-job conduct of employees should not be the subject of inquiries to applicants.

Q.H9
Table 4-2

What Information Companies Actually Collect About Job Applicants: Human Resources

On job interviews, does your company ever ask job applicants for the following information, or not?

	Human Resources		
Base: 203	Yes, Asks %	No, Doesn't Ask %	Not Sure %
What an applicant's off-the-job hobbies or activities are	33	57	9
Marital status	17	75	8
Whether the applicant smokes off the job	4	88	8
If the candidate is living with someone of the opposite sex and not a family member	1	92	7
If the applicant has elderly parents	1	92	7
If the applicant plans to have children	*	93	7
An applicant's religious preference	*	92	7

*Less than 0.5%.

Hardly any of the human resources executives think it is appropriate to deny someone a job or fire an employee for being involved in a variety of off-the-job activities: Only 6% think it appropriate to deny a job to someone or fire an employee for having an unusual second job, such as belly dancing or working in a bar; 3% think it appropriate for being overweight; 2% for having dangerous hobbies, such as skydiving; 1% for gambling at a racetrack; 1% for marching in a political demonstration; and 1% for smoking off the job. None of the human resources executives think it appropriate to deny someone a job or to fire an employee for dating someone of another race.

Q.H10
Table 4-3

Whether Appropriate For Employers To Fire or Deny Jobs For Involvement in Off-The-Job Activities: Human Resources

Do you think it is appropriate or not for an employer to deny someone a job or fire an employee because they were involved in any of the following off-the-job activities?

	Human Resources		
	Appropriate %	Not Appropriate %	Not Sure %
Base: 203			
Having an unusual second job, such as belly dancing or working in a bar	6	80	13
Is overweight	3	87	9
Dangerous hobbies, such as skydiving	2	90	8
Gambling at a racetrack	1	91	8
Marching in a political demonstration	1	91	8
Smoking off the job	1	91	8
Dating someone of another race	*	93	7

*Less than 0.5%.

Attitudes Toward Drug Testing By Employers

Perhaps the dominant issue today affecting the personal privacy aspect of the employer-employee relationship as it affects both job applicants and employees is drug use. A series of three scenarios, outlining situations in which an employer might require drug testing, was presented to those members of the public who are employed full time. For each scenario they were asked whether it is reasonable or unreasonable, in the situation described, for employers to require someone with their job "to take a scientific test for drug use." For the same scenarios human resources executives were asked whether it is reasonable or unreasonable for management employees and for nonmanagement employees to be required to take a drug test:

- Over four out of every five full-time employees (83%) think it is reasonable for an employer to require someone with their job to take a drug test "in the application process, before being hired." Human resources executives agree, to virtually the same extent, that it is reasonable to require that management employees (80%) and nonmanagement employees (82%) take a drug test before being hired.
- Just under two-thirds (66%) of full-time employees think it is reasonable for an employer to require someone with their job to take a drug test "in a randomized drug-testing program for all employees." A smaller majority of human resources executives agree that it is reasonable to require that management and nonmanagement employees (53% for both) participate in a randomized drug-testing program.
- Again, just under two-thirds (65%) of full-time employees think it is reasonable for an employer to require someone with their job to take a drug test "if supervisors feel an employee's behavior shows signs of the effects of using drugs." In this scenario human resources are considerably more likely to think it reasonable to require drug tests for management (84%) and nonmanagement employees (85%).

Observation:

Clearly, the drug issue is one in which the American public is willing to accept trade-offs. The problem of drug use is thought to be sufficiently serious that concerns about personal privacy are outweighed by concerns about drug use. Among human resources executives, however, a significantly large minority have reservations about the use of randomized drug-testing programs.

Q.H6
Q.H4a
Q.H4b
Table 4-4

Situations Under Which Drug Tests Should Be Required: Public and Human Resources

In the following situations, do you consider it reasonable or unreasonable for employers to require someone with your job to take a scientific test for drug use (*read each item*)?

	Total Public			Human Resource Executives					
	For Jobs Like Yours Base 2254			For Management Employees Base 203			For Nonmanagement Employees Base 203		
	Reasonable %	Unreasonable %	Not Sure %	Reasonable %	Unreasonable %	Not Sure %	Reasonable %	Unreasonable %	Not sure %
In the application process, before being hired	83	17	1	80	19	1	82	17	1
In a randomized drug testing program for all employees	66	33	1	53	44	3	53	45	2
If supervisors feel an employee's behavior shows signs of the effects of using drugs	65	34	1	84	15	1	85	14	1

What Employers Have The Right To Require Of Employees

On issues other than drugs which could affect an employee's on-the-job performance, far fewer human resources executives think an employer has the right to require that an employee take a prescribed course of action:

- Just over one-third (37%) think an employer has a right to require that an employee "give up moonlighting or a second job";
- Only 13% thinks an employer has a right to require that an employee "stop dating an employee of a rival firm";
- Only 10% thinks an employer has a right to require that an employee "change his or her diet for health reasons";
- Only 7% thinks an employer has a right to require that an employee "stop smoking."

Observation:
There is a strong consensus among human resources executives that the privacy rights of an employee who wants to date an individual working for a rival firm take precedence over the privacy rights of the employer, who may be worried about the employee revealing information the rival firm might find useful.

There is also a strong consensus among human resources executives that employers do not have the right to intrude on an employee's personal privacy with regard to dietary or smoking habits.

These trends indicate that privacy rights for employees have been widely accepted by employers.

Q.H11
Table 4-5

WHAT DOES AN EMPLOYER HAVE THE RIGHT TO REQUIRE: HUMAN RESOURCES

Do you think any employer has a right to require an employee to take any of the following actions, or not?

Base: 203	Human Resources		
	Yes, Has Right %	No Doesn't %	Not Sure %
Give up moonlighting or a second job	37	41	22
Stop dating an employee of a rival firm	13	74	13
Change his or her diet for health reasons	10	78	11
Quit smoking	7	82	11

MONITORING OF CUSTOMER SERVICE OPERATORS

Both the public and the human resources executives were asked to decide the following: "Most companies who employ lots of telephone operators who deal with the public have supervisors who sometimes listen in on the operators to see if they are courteous and efficient. Some unions and employee groups say this is an invasion of employee and customer privacy and should be banned. The companies say that it is necessary to monitor and improve the service they provide to the public. Who do you tend to agree with?:"

- ▲ The American public, by a 58-38% margin, think that monitoring is necessary;
- ▲ Human resources executives, by a much wider 78-17% margin, think that monitoring is necessary.

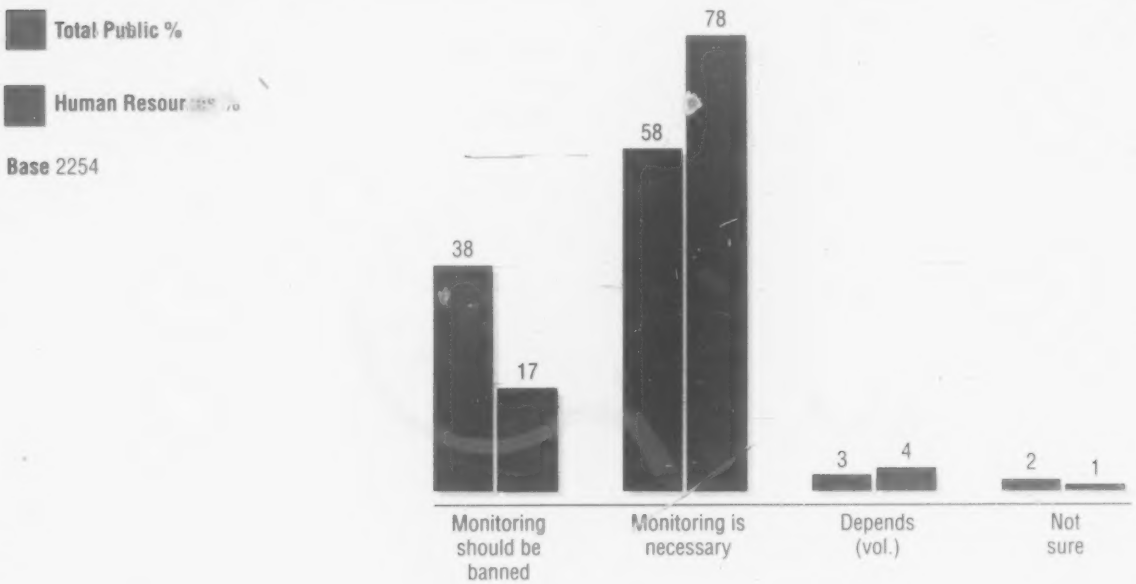
Observation:

A solid majority of the American public as well as most human resources executives think that this trade-off, which allows monitoring of telephone operators and customers in order to improve the quality of service these operators are able to give to customers, is worthwhile.

Q.H7
Table 4-6

Whether Monitoring of Calls By Telephone Operators is Necessary: Public and Human Resources

Most companies who employ lots of telephone operators who deal with the public have supervisors who sometimes listen in on the operators to see if they are courteous and efficient. Some unions and employee groups say this is an invasion of employee and customer privacy and should be banned. The companies say that it is necessary to monitor and improve the service they provide to the public. Who do you tend to agree with?



Quality and Adequacy of Information About Job Applicants

Most human resources executives are currently getting enough information to make sound decisions about job applicants. A minority, however, feel the need for information which applicants won't give, or which they themselves are not legally allowed to either ask the job applicant for or purchase from a consumer reporting agency.

Over three-fourths of the human resources executives (77%) say their company is getting the information it needs to make sound decisions about job applicants.

Q.13a
Table 4-7

Whether Companies are Getting Information to Make Sound Decisions About Job Applicants: Human Resources

Is your company getting the information it needs to make sound decisions about job applicants?

	Human Resources %
Base: 203	
Yes, is	77
No, isn't	21
Not sure	1

Among the one in five human resources executives who say their firm is not getting the information it needs to make sound decisions about job applicants, 77% cite "people won't give it" as a reason the information is not obtained; 63% cite "you're legally prevented from getting it; and 7% cite "it costs too much" as a reason.

Q.13b
Table 4-8

Why Companies Aren't Getting Information About Job Applicants: Human Resources

Base: Company not getting the information it needs to make sound decisions about job applicants

Would you say that you're not getting this information about job applicants because (*read each item*), or not?

	Human Resources		
	Yes, A Reason %	No, Not A Reason %	Not Sure %
Base: 43			
People won't give it	77	21	2
You're legally prevented from getting it	63	30	7
It costs too much	7	91	2

Human resources executives are, by and large, satisfied with the quality of reports received from consumer reporting agencies for making decisions about job applicants:

- A 60-11% majority is satisfied with the timely delivery of reports about job applicants;
- A 58-13% majority is satisfied with the accuracy of reports about job applicants;
- A 56-15% majority is satisfied with the completeness of reports about job applicants;
- A 54-17% majority is satisfied with the relevance of reports about job applicants.

Q.17
Table 4-9

Satisfaction With Reports From Consumer Reporting Agencies About Job Applicants: Human Resources

How satisfied are you with the (*read each item*) of the reports being obtained by you from consumer reporting agencies for making decisions about job applicants — are you very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

	Human Resources				
	Very Satisfied %	Somewhat Satisfied %	Not Very Satisfied %	Not Satisfied At All %	Not Applicable/ Not Sure %
Base: 203					
Timely delivery	22	38	7	4	29
Accuracy	11	47	11	2	29
Completeness	11	45	12	3	29
Relevance	15	39	14	3	29

Confidentiality of Information About Job Applicants and Employees

Approximately four-fifths of the human resources executives rate their company as "above average" on protecting the legitimate privacy interests of job applicants (79%) and employees (81%). However, smaller percentages rate their company as "above average" on collecting reliable information on how job applicants (20%) and employees (26%) feel about the use of their personal data.

Observation:

Most human resources executives feel their companies are doing a better job than most other companies in protecting the legitimate privacy interests of job applicants and employees. However, most admit that their company is not in the forefront with regard to finding out what job applicants and employees themselves regard to be their own legitimate privacy interests. This lack of knowledge could result in situations in which a job applicant or an employee regards an employer's action to be a violation of personal privacy interests, while the employer regards the action as being fully in line with the privacy interests of job applicants and employees.

Q.15
Table 4-10

Confidentiality of Information About Job Applicants and Employees: Human Resources

How would you rate your company on (*read each item*) — above average, average, somewhat below average, or well below average?

	Human Resources				
	Above Average %	Average %	Somewhat Below Average %	Well Below Average %	Not Applicable/ Not Sure %
Base: 203					
Protecting the legitimate privacy interests of job applicants	79	18	2	*	*
Protecting the legitimate privacy interest of employees	81	16	1	*	1
Collecting reliable information on how job applicants feel about the use of their personal data	20	55	11	2	12
Collecting reliable information on how employees feel about the use of their personal data	26	46	15	2	11

*Less than 0.5%

Do Employers Ask For Unnecessary Information Or Misuse Information About Employees

In terms of their own personal experiences, 16% of Americans who are currently employed full time and 20% of human resources executives say that they have at some time been asked for information they thought their employer had no right to ask for. Six percent of Americans who are employed full time and 7% of human resources executives say that personal information about themselves has been misused by an employer.

Observation:

Eighty-three percent of working Americans report that an employer has never either asked for information they felt the employer had no right to ask for or has misused personal information about them. This finding suggests these practices are not pervasive in America today. However, the 16% who do report instances of their personal privacy being violated by their employer represents approximately 29.6 million people, hardly a negligible number.

Q H4
Table 4-11

Whether Employers Have Asked for Information They Had No Right To Ask For: Public and Human Resources

Base: Currently employed full time

Have you ever been asked for information which you thought your employer had no right to ask for, or haven't you?

	Public %	Human Resources %
Base	1250	203
Yes, have been asked	16	20
No, have not been asked	83	80
Not sure	*	*

*Less than 0.5%

Q.H5
Table 4-12

Whether Employers Have Ever Misused Information: Public and Human Resources

Base: Currently employed full-time

Has personal information about you ever been misused by an employer, or not?

	Total Public %	Human Resources %
Base	1250	203
Yes, has been misused	7	6
No, has not been misused	91	92
Not sure	2	2

Within the past three years, 3% of human resources executive report lawsuits against their company by employees and 2% report lawsuits by job applicants on invasion of privacy grounds.

Q.H7a, H8a
Table 4-13

Whether Lawsuits On Invasion Of Privacy Grounds: Human Resources

Are you aware of any employee lawsuits brought in the past three years against your organization for any kind of invasion of privacy ground?

Are you aware of any lawsuits brought by job applicants in the past three years for any kind of invasion of privacy ground?

	Human Resources %
Base: 203	
Lawsuits by employees	
Yes	3
No	97
Not sure	-
Lawsuits by job applicants	
Yes	2
No	98
Not sure	-

CONCERN WITH LEVELS OF PERSONAL DEBT

Fifty-one percent of Americans admit to being either "very" or "somewhat concerned" about the level of debt they currently owe. Significant minorities of executives of banks and thrifts (37%) and credit grantors (36%) also admit to being concerned about their own current level of debt. About a third of Americans and business leaders are not concerned at all.

Q.G1
Table 5-1

CONCERN ABOUT CURRENT DEBT: PUBLIC, BANKS AND THRIFTS, CREDIT GRANTORS

How concerned are you about the amount of debt you currently owe—very concerned, somewhat concerned, not very concerned, or not concerned at all?

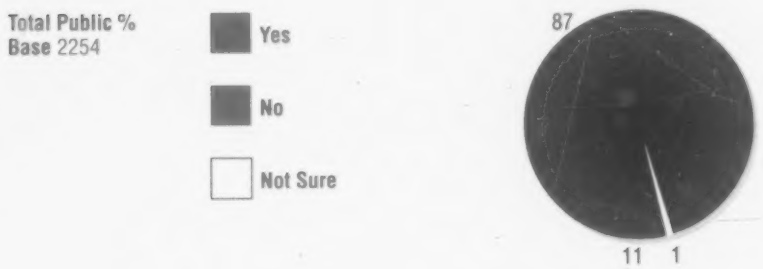
	Total Public %	Banks And Thrifts %	Credit Grantors %
Base	2254	157	150
Very concerned	27	9	9
Somewhat concerned	24	28	27
Not very concerned	20	31	34
Not concerned at all	29	32	29
Not sure	1	1	1

Despite the concern that members of the American public have about their level of personal debt, there appear to be few regrets about having been granted credit. Only 11% of those interviewed have ever wished that a credit grantor they had applied to had looked at their debts and credit record and denied their application for more credit.

Q.G2
Table 5-2

Whether Ever Wished a Credit Grantor had Denied Credit: Public

Have you ever wished that a credit grantor you had applied to had looked at your debts and credit record and denied your application for more credit, or not?



Acceptability of Practices Used in Checking Credit Histories

Despite concerns about how information may be handled once collected, nearly all of the American public accepts the right of companies to check the credit history of people applying for either credit or a credit card:

- Ninety-six percent agree that: "When people want to borrow money, the company giving them credit should be able to check on their credit records."
- Ninety-four percent agree that: "When people apply for a credit card, the company issuing the credit card should be able to check on their credit and credit card records."

Q.G4, G5
Table 5-3

WHETHER COMPANIES SHOULD BE ABLE TO CHECK CREDIT RECORDS: PUBLIC

When people want to borrow money, do you think that the company giving them credit should be able to check on their credit records, or not?

When people apply for a credit card, do you think that the company issuing the credit card should be able to check on their credit and credit card records, or not?

	Total Public %
Base	2254
When people want to borrow money, companies:	
Should be able to check	96
Shouldn't be able to check	4
Not sure	*
When people want credit, companies:	
Should be able to check	94
Shouldn't be able to check	6
Not sure	*

*Less than 0.5%.

The American public, as well as executives of credit grantors and of banks and thrifts, were presented with the following description of statistical models used to predict bankruptcy: "Some credit reporting companies have developed formulas that identify a customer whose debt level and spending pattern strongly suggest they will go bankrupt. Credit grantors use such reports to limit the credit they will extend to such customers." All three groups find this to be an acceptable use of consumer information:

- Among the American public, a two-thirds majority (67%) find bankruptcy prediction formulas an acceptable use of consumer information;
- A nearly identical 68% of executives of banks and thrifts, and a higher 79% of executives of credit grantors agree.

Observation:

The American public most emphatically does not consider the examination of a credit or credit-card applicant's previous payment history to be an invasion of personal privacy. The process of divulging this information is regarded as an acceptable trade-off in return for being granted credit. Indeed, a majority of Americans are even willing to allow credit grantors to go beyond a person's actual payment history and limit credit on the basis of predictions of future financial problems.

Q.G3
Table 5-4

Whether Bankruptcy Prediction Formulas are a Legitimate Use of Consumer Information: Public, Banks and Thrifts, Credit Grantors

Some credit reporting companies have developed formulas that identify a customer whose debt level and spending pattern strongly suggest they will go bankrupt. Credit grantors use such reports to limit the credit they will extend to such customers. Do you think this is an acceptable or unacceptable use of consumer information?

	Total Public %	Banks And Thrifts %	Credit Grantors %
Base	2254	157	150
Acceptable	67	68	79
Unacceptable	31	29	19
Not sure	2	3	1

Whether Improper Information Was Asked for on Credit Applications

While the American public acknowledges the legitimate needs of businesses to check the credit histories of people applying for credit or a loan, a minority of Americans feel they have, at one time or another, been asked improper information in the credit application process. It is significant that many executives in industries which grant credit and loans to consumers are more likely than the public to say they have experienced requests for improper information.

When asked: "Have you ever been asked to provide personal information that you felt was improper when applying for any type of credit," one in six Americans (17%) reply that they have. Executives of banks and thrifts (22%) and of credit grantors (21%) are more likely than members of the American public as a whole to say they have been asked to provide personal information they felt was improper when applying for credit.

Q.G6, G3
Table 5-5

Whether Improper Information was Asked for on Credit applications: Public, Banks and Thrifts, Credit Grantors

Have you ever been asked to provide personal information that you felt was improper when applying for any type of credit?

	Public						
	Level Of Distrust						
	Total %	High %	Medium %	Low %	Not Distrustful %	Banks And Thrifts %	Credit Grantors %
Base	2254	488	669	740	357	157	150
Yes	17	21	19	14	15	22	21
No	82	78	81	85	85	77	79
Not sure	1	1	*	1	*	1	-

*Less than 0.5%.

Experiences With Being Turned Down for Credit

One-quarter of the American public (25%) say they have been turned down for credit. This figure is almost unchanged from the 26% in 1978 who reported having been turned down for credit. Executives of credit granting companies (17%) and of banks and thrifts (12%) are less likely than the public to say they have ever been turned down for credit.

Q.G7, G4
Table 5-6

Whether Ever Refused Credit: Public, Banks and Thrifts, Credit Grantors

Have you ever been refused credit?

	Total Public		Bank And Thrifts	Credit Grantors
	1978* %	1990 %	%	%
Base	1511	2254	157	150
Yes	26	25	12	17
No	70	74	87	83
Not sure	3	1	1	-

* *Dimensions of Privacy*, Harris, 1979.

Among those in the American public who have been turned down for credit:

- ▲ Fifty-eight percent believe the decision to refuse them credit was based on information that was unfair, down from 63% who felt that way in 1978;
- ▲ Fifty-seven percent believe the decision was based on incomplete information, up from 51% in 1978;
- ▲ Forty-nine percent believe the information was inaccurate, up substantially from 38% in 1978.

Q.G8
Table 5-7

Quality of Information Used in Dec
Public 1978 and 1990

Base: Refused Credit

Do you believe the decision to refuse you credit was
or not?

	Public 1978 / Public 1990		
	Yes, Was %	No, Wasn't %	Not Sure %
Base: 394 / 557			
Inaccurate	38 / 49	50 / 49	11 / 2
Unfair	63 / 58	30 / 39	7 / 3
Incomplete	51 / 57	40 / 40	9 / 2

There is a strong feeling among those w
have been turned down for credit that the
formation used in making the decision w
not adequate. Most feel they should not ha
been turned down.

Q.G9
Table 5-8

Should Bill-Paying Record Have J

Base: Refused credit

Looking back, do you think your record of paying bi
credit, or not?

	Public %
Base: 557	
Yes, record should have justified	72
No, record did not justify	26
Not sure	3

N USED IN DECISION TO REFUSE CREDIT:

use you credit was based on information that was (*read each item*),

Public 1990	
n't	Not Sure %
49	11 / 2
39	7 / 3
40	9 / 2

ling among those who for credit that the in- ing the decision was they should not have

Nearly three-quarters (72%) of those who had been turned down for credit think their record of paying bills at that time should have justified their getting credit.

CORD HAVE JUSTIFIED GETTING CREDIT: PUBLIC

ecord of paying bills at that time should have justified your getting

Public %
72
26
3

Experiences with Credit Bureaus

Virtually everyone surveyed (94%) knows they have the legal right to learn what information is in their credit report in a credit bureau. No significant differences were noted in the responses by different subgroups of the population: at least ninety percent in every category knows they have the legal right to learn what is in their credit report.

Observation:

This finding of 94% is unusually high for a question asking the general public if they know whether a consumer right has been written into law. Many surveys asking about public knowledge of laws confirm that public awareness of the legal status of rights such as this one rarely draw affirmative answers in the 94% range. While the answer here does suggest that a large majority of the public believe they do have a legal right to see what is in their credit report, the explanation for the unusually high 94% level may be that the wording of the question's opening — "in your opinion, do you have the legal right. . . ." — led some respondents to answer in terms of what they felt *should* be their right, rather than whether they know for a fact that such a legal right has been enacted.

Q.1
Table 5-9

KNOWLEDGE OF LEGAL RIGHT TO SEE CREDIT REPORT: PUBLIC

In your opinion, do you have the legal right to learn what information is in your credit report in a credit bureau, or not?

	Base	Yes, Has Legal Right	No, Doesn't Have Legal Right	Not Sure
Total Public	2253	94	4	2
Sex				
Male	1018	93	4	2
Female	1235	94	4	2
Age				
18-29 years	505	93	6	1
30-49 years	990	96	2	2
50 years and over	734	91	5	4
Education				
Less than high school	264	90	7	3
High school graduate	794	94	4	2
Some college	570	96	2	2
College graduate	357	96	3	2
Postgraduate	253	95	2	3
Race				
White	1934	94	4	2
Black	186	93	4	3
Hispanic	133	90	6	4

Overall, 84% of the American public has never disputed an inaccurate item in a credit report and 86% has never had any difficulty dealing with credit bureaus.

Observation:

The fact that virtually all the people surveyed know they have the legal right to see credit bureau reports about themselves, while only approximately one in seven has disputed an inaccurate item in a credit report suggests several possibilities: 1) Many people have never had reason to suspect that information in their credit report is inaccurate; 2) Many people who have checked the information in their credit report have found it to be accurate; or 3) Many people who might have wanted to check their credit report for inaccurate items found the process they have to go through to obtain their credit report too difficult.

0.2
Table 5-10

Whether Disputed Inaccurate Item in Credit Report: Public

Did you ever dispute an inaccurate item in a credit bureau report about yourself, or not?

	Total %
Base: 2253	
Yes, disputed	15
No, did not dispute	84
Not sure	*

*Less than 0.5%.

0.3
Table 5-11

Whether Had Difficulty Dealing with Credit Bureau: Public

Have you ever had any difficulty dealing with credit bureaus, or not?

	Total %
Base: 2253	
Yes, had difficulty	13
No, did not have difficulty	86
Not sure	1

Should Consumers Be Notified When Adverse Information Is Put in Credit Files?

The advantages and disadvantages of consumer notification of adverse information being put in credit files were presented to the public and to executives of credit grantors and of banks and thrifts as follows: "Legislation has been proposed to require that credit bureaus send a notice by mail to consumers every time adverse information is put in their credit file, such as when a bill is paid late, so that consumers would always know what is going into their files. Opponents say this would create a costly flood of mail to consumers, isn't needed because consumers already know when they haven't paid their bills, and could get to a wrong person and be misused." When asked whether such a law is needed, the American public is evenly divided, with 48% saying it is needed and 50% saying it isn't needed. Executives of credit grantors (by 71-27%) and executives of banks and thrifts (by 70-29%), do not feel this legislation is needed.

Observation:

It should be pointed out that in responding to this question some members of the public may have taken the term "adverse information" to mean information that is judgmental or derogatory, while other members of the public took the term to mean information that is factual or neutral. This may have resulted in a higher percentage favoring consumer notification than would have been the case if everyone understood that "adverse information" was strictly factual.

Q.G18. G5
Table 5-12

Whether Consumers Should be Notified When Adverse Information is Placed in Credit Files: Public, Banks and Thrifts, Credit Grantors

Legislation has been proposed to require that credit bureaus send a notice by mail to consumers every time adverse information is put in their credit file, such as when a bill is paid late, so that consumers would know what is going into their files. Opponents say this would create a costly flood of mail to consumers, isn't needed because consumers already know when they haven't paid their bills, and could get to a wrong person and be misused. Do you feel such a law is needed or is not needed?

	Total Public %	Banks And Thrifts %	Credit Grantors %
Base:	2254	157	150
Such a law is needed	48	29	27
Such a law is not needed	50	70	71
Not sure	2	1	1

Quality and Adequacy of Information About Credit and Loan Applicants

Most of the executives of credit grantors (91%) and banks and thrifts (94%) say their company is getting the information it needs about consumers to make sound judgements about credit and loan applicants.

Q.13A
Table 5-13

Whether Companies Are Getting Sound Information to Make Decisions about Credit and Loan Applicants: Banks and Thrifts, Credit Grantors

Is your company getting the information about consumers it needs to make sound decisions about applicants for loans? Is your company getting the information about consumers it needs to make sound decisions about applicants for credit?

	Banks And Thrifts %	Credit Grantors %
Base	157	150
Yes, is	94	91
No, isn't	4	3
Not sure	3	5

There is widespread satisfaction with the quality of reports obtained from consumer reporting agencies for making credit and loan decisions:

- ▲ Ninety-five percent of the executives of banks and thrifts and 84% of execuuves of credit grantors are "very" or "some what satisfied" with the *timely delivery* of the reports;
- ▲ Ninety-two percent of executives of banks and thrifts and 82% of executives of credit grantors are satisfied with the *accuracy* of the reports;
- ▲ Ninety-one percent of executives of banks and thrifts and 85% of executives of credit grantors are satisfied with the *relevance* of the reports;
- ▲ Eighty-eight percent of executives of banks and thrifts and 83% of executives of credit grantors are satisfied with the *completeness* of the reports.

Q.17
Table 5-14

Satisfaction With Reports From Commercial Reporting Agencies About Credit and Loan applicants: Banks and Thrifts, Credit Grantors

How satisfied are you with the (*read each item*) of the reports being obtained by you from commercial reporting agencies for making loan decisions — are you very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all? How satisfied are you with the (*read each item*) of the reports being obtained by you from commercial reporting agencies for making credit decisions — are you very satisfied, somewhat satisfied, not very satisfied, or not satisfied at all?

	Banks And Thrifts / Credit Grantors			
Base: 157 / 150	**Very Satisfied**	**Somewhat Satisfied**	**Not Very Satisfied/ Not Satisfied At All**	**Not Applicable/ Not sure**
Accuracy	29 / 23	63 / 59	8 / 7	3 / 11
Completeness	22 / 25	66 / 58	11 / 7	2 / 11
Relevance	33 / 30	58 / 55	7 / 4	3 / 11
Timely delivery	59 / 64	36 /2 0	4 / 6	2 / 10

Confidentiality of Information About Credit and Loan Applicants

Many executives of credit grantors and of banks and thrifts appear to believe that their institution is doing a sufficiently good job in protecting the legitimate privacy interests of consumers. They also believe that extensive further efforts on their part to support educational campaigns about consumer rights and responsibilities, or to conduct reliabie research on consumer privacy concerns, are not needed.

Large majorities of executives of banks and thrifts (83%) and credit grantors (72%) rate their company as "above average" in protecting the legitimate privacy interests of consumers. Thirty-one percent of bank and thrift executives and 29% of credit grantors rate their company as "above average" in supporting educational campaigns on consumer rights and responsibilities in their industry. Twenty-nine percent of bank and thrift executives and 23% of credit grantors rate their company as "above average" in collecting reliable information on how consumers feel about use of their personal data.

Q.15
Table 5-15

Confidentiality of Information About Credit and Loan Applicants: Banks and Thrifts, Credit Grantors

How would you rate your company on (*read each item*) — above average, average, somewhat below average, or well below average?

	Banks And Thrifts / Credit Grantors			
	Above Average %	Average %	Somewhat Below Average/ Well Below Average %	Not Applicable/ Not Sure %
Base: 157 / 150				
Protecting the legitimate privacy interests of consumers	83 / 25	17 / 72	- / 1	1 / 1
Collecting reliable information on how consumers feel about the use of their personal data	29 / 50	48 / 2[illegible]	11 / 19	11 / 8
Supporting educational campaigns	31 / 51	50 / 29	14 / 18	4 / 3

Effectiveness of Credit Bureaus in Ensuring Legitimate Use of Consumer Credit Information

Executives of privacy-intensive industries express concern that credit bureaus are not as effective as they should be in making sure that the information they supply about consumers is used only for legitimate credit purposes.

All of the leaders were asked about how effective they feel credit bureaus are in "seeing that customers only obtain and use consumer credit information for legitimate credit purposes." Only executives of credit grantors (83%) and bank and thrifts (80%) overwhelmingly feel credit bureaus are "very" or "somewhat effective" in doing this. "Effective" ratings given to credit bureaus by insurance company executives (64%), direct marketing executives (59%), human resources executives (58%), and consumer affairs executives (50%) indicate a wider degree of concern over the legitimate use of consumer information obtained from credit bureaus.

Q.A12a
Table 5-16

Effectiveness of Credit Bureaus In Ensuring Legitimate Use Of Consumer Credit Information: Leaders

How effective do you feel credit bureaus are today in seeing that their customers only obtain and use consumer credit information for legitimate credit purposes — very effective, somewhat effective, not very effective, or not effective at all?

	Privacy-Intensive Industries					Corporate Spokespersons Consumer Affairs
	Insurance	Credit Grantors	Banks And Thrifts	Direct Marketers	Human Resources	
	%	%	%	%	%	%
Base	152	150	157	150	203	104
Very effective	7	24	25	7	9	4
Somewhat effective	57	59	55	52	49	46
Not very effective	26	12	16	25	28	38
Not effective at all	5	3	3	8	9	9
Not sure	5	2	1	8	5	4

All of the executives who rated credit bureaus as being less than "very effective" in seeing that consumer credit information supplied to customers is used only for legitimate credit purposes were asked: "Do you think stricter legal regulations to prevent misuse of credit reports would help this situation or would not be able to help it much?" Consumer affairs executives tend to think stricter regulations would help (66-34%), as do human resources executives (58-39%), direct marketing executives (57-42%), and insurance company executives (54-45%). Executives of banks and thrifts (44-54%) and credit grantors (44-54%) do not think stricter regulations would help.

Observation:

Only small percentages of executives feel credit bureaus are very effective in seeing that their customers only obtain and use consumer information for legitimate credit purposes, while large percentages do not think stricter legal regulations would help the situation much. These results suggest that it is widely recognized that it is very difficult, if not impossible, for a credit bureau to monitor the use of credit records by every one of its clients.

Q.A12b
Table 5-17

WHETHER STRICTER REGULATIONS WOULD HELP PREVENT ABUSES: LEADERS

Base: Feel credit bureaus are somewhat effective/not very effective/not effective at all today in seeing that their customers only obtain and use consumer credit information for legitimate credit purposes

Do you think stricter legal regulations to prevent misuse of credit reports would help this situation or would not be able to help it much?

	Privacy Intensive Industries					Corporate Spokespersons Consumer Affairs
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	%
Base	133	111	116	128	174	96
Would help	54	44	44	57	58	66
Would not help much	45	54	54	42	39	34
Not sure	1	2	2	1	3	-

ATTITUDES TOWARD PRACTICES IN THE HEALTH INSURANCE INDUSTRY

When asked questions about health insurance, it is likely that a large percentage of the public was thinking about group health insurance rather than individually purchased health insurance. They would, in this context, be answering questions about whether to single out employees with certain medical conditions to either deny them insurance or make them pay more of the cost of their insurance than other employees.

This may at least partially explain the sharp divergence of opinion between health insurance executives and the American public concerning the use of a person's previous medical history in deciding whether they should be sold health insurance and in whether health insurance rates should be linked to the cost of treatments an individual requires.

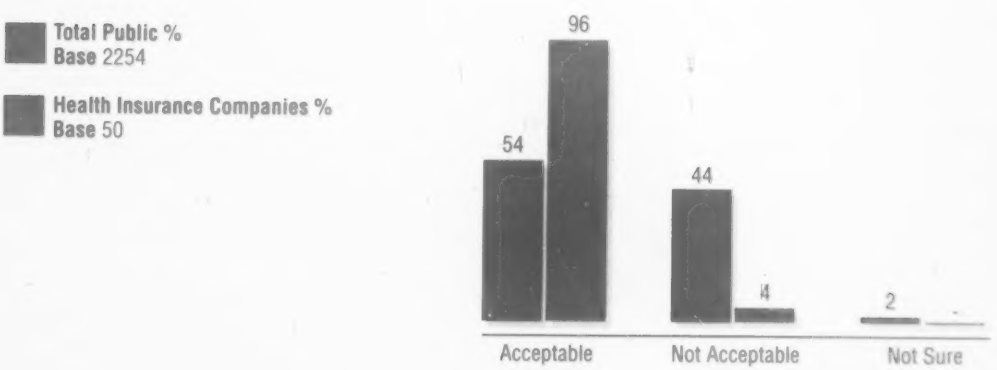
Fifty-four percent of the American public feel it is acceptable for health insurance companies to check someone's previous history of medical claims before deciding whether to sell them insurance. Health insurance executives are nearly unanimous (96-4%) in feeling this is acceptable.

One in four Americans (25%) think that people who have a serious health condition which involves expensive treatment should pay more for health insurance than healthy people, while 71% think they should pay the same rates as healthy people. The breakdown among health insurance executives is almost exactly reversed: 78% think people requiring expensive treatments should pay more and only 20% think they should pay the same rates as healthy people.

Q.01
Table 6-1

WHETHER ACCEPTABLE TO CHECK PREVIOUS MEDICAL CLAIMS: PUBLIC AND HEALTH INSURANCE EXECUTIVES

In general, do you feel it is acceptable, or not, for health insurance companies to check someone's previous history of medical claims before deciding whether to sell them insurance?



The American public narrowly leans toward accepting data sharing among health insurers as an acceptable trade-off in exchange for access to their own health records, with the right to challenge incorrect information in cases where these records were used to deny them insurance. Executives of health insurers by nearly a five-to-one margin also find this an acceptable trade-off.

Both the public and health insurance executives were presented with the following situation: "Suppose health insurance companies shared and used their information about people's health care costs to decide whether to sell health insurance to people and how much to charge for it. Suppose also that a person declined for insurance who wanted to could get a copy of his or her record and could challenge it if it was not accurate." They were then asked: "Would this use of people's health information be acceptable, or not?" A small majority of the public (52-45%) and a much larger majority of health insurance executives (78-16%) say they find this approach acceptable.

Q.D2
Table 6-2

Whether People Needing Expensive Treatments Should Pay For Health Insurance: Public and Health Insurance Executives

Do you think that people who have a serious health condition which involves expensive treatment should pay more for their health insurance than those who are healthy–or should they both pay the same rates?

	Total Public %	Health Insurance Companies %
Base	2254	50
Should Pay More	25	78
Should Pay The Same	71	20
Not Sure	4	2

Q.D4
Table 6-3

Trade-Off Involving Access to Health Records: Public and Health Insurance Executives

Suppose health insurance companies shared and used their information about people's health care costs to decide whether to sell health insurance to people and how much to charge for it. Suppose also that a person declined for insurance who waned to could get a copy of his or her record and could challenge it if it was not accurate. Would this use of people's health information be acceptable, or not?

	Total Public %	Health Insurance Companies %
Base	2254	50
Acceptable	52	16
Not Acceptable	45	
Not Sure	3	6

Whether Improper Information Was Asked For When Applying For Health Insurance

Fourteen percent of Americans, compared with only 4% of health insurance executives, have at one time or another been asked to provide personal information they felt was improper when applying for health insurance.

Observation:

In contrast to credit and loan granting industries, where industry executives are more likely than the public to say they've been asked for improper information when applying for credit or a loan, health insurance executives are less likely than the general public to say they've been asked for improper information when applying for health insurance.

Q.D5
Table 6-4

Whether Improper Information was Asked for when Applying for Health Insurance: Public and Health Insurance Executives

Have you ever been asked to provide personal information that you felt was improper when applying for health insurance, or not?

	Total Public %	Health Insurance Companies %
Base	2254	50
Yes, Have	14	4
No, Have Not	86	96
Not Sure	1	-

Experiences With Being Turned Down or Made To Pay Higher Rates for Health Insurance

Because of their health condition or the amount of their medical bills, 6% of Americans and 2% of health insurance executives have been refused health insurance, while 7% of the American public and 22% of health insurance executives have been told they have to pay higher rates.

Among the public, 55% of those who have been refused insurance say this is a "very" or "somewhat serious" problem for them, while 41% say it is a "not very" or "not at all serious" problem.

Q.03
Table 6-5

Whether Ever Refused Health Insurance: Public and Health Insurance Executives

Have you ever been refused health insurance or been told that you had to pay a higher rate because of your health or the amount of your medical bills, or not?

	Total Public %	Health Insurance Companies %
Base	2254	50
Yes, refused	6	2
Yes, told must pay higher rate	7	22
No (neither of above)	87	76
Not sure	*	-

*Less than 0.5%

Q.04
Table 6-6

Whether Being Refused Health Insurance was A Serious Problem: Public

Base: Refused health insurance

Was your being refused health insurance—a very serious problem to you, a somewhat serious problem, a not very serious problem, or not at all serious?

	Total Public %
Base	122
Very serious	31
Somewhat serious	24
Not very serious	25
Not at all serious	16
Not sure	3

Experiences With Being Turned Down or Made To Pay Higher Rates for Auto Insurance

Because of accident and claims records, 7% of the American public and 16% of auto insurance executives have been refused auto insurance, while 16% of the American public and 18% of auto insurance executives have been told they have to pay higher rates.

Among the public, 61% of those who have been refused insurance say this is a "very" or "somewhat serious" problem for them, while 38% say it is a "not very" or "not at all serious" problem.

Looking back on the experience, 30% of the American public think their accident and claims record justified their being turned down or made to pay a higher rate for auto insurance.

Observation:

People who have had a traffic accident in the past three years are more likely than the rest of the public to have been refused insurance (11%) or been told they must pay a higher rate (30%). A slightly higher percentage than among the rest of the public (65%) says this was a serious problem for them. A slightly smaller percentage than among the rest of the public (27%) says their accident or claims record justified the insurance company's decision.

Q.E1
Table 6-7

Whether Ever Refused Auto Insurance: Public and Auto Insurance Executives

Have you ever been refused auto insurance or been told that you had to pay a higher rate because of your accident and claims record, or not?

	Public		Auto Insurance Companies
	Total %	Had Accident In Past 3 Years %	%
Base	2254	381	51
Yes, refused	7	11	16
Yes, told must pay higher rate	16	30	18
No (neither of above)	77	58	67
Not sure	*	*	*

*Less than 0.5%.

Q.E2
Table 6-8

Whether Being Refused Auto Insurance was a Serious Problem: Public

Base: Refused auto insurance

Was you being refused auto insurance, a very serious problem, a somewhat serious problem, a not very serious problem, or not at all serious?

	Public	
	Total %	Had Accident In Past 3 Years %
Base	159	46
	%	%
Very serious	34	30
Somewhat serious	27	35
Not very serious	20	20
Not at all serious	18	15
Not sure	1	-

Q.E3
Table 6-9

Whether Decision to Refuse Insurance was Justified: Public and Auto Insurance Executives

Base: Refused auto insurance or been told you had to pay a higher rate

Looking back on that now, do you think your accident and claims record justified the insurance company's decision, or not?

	Public		
	Total %	Had Accident In Past 3 Years %	Auto Insurance %
Base	523	153	17
Justified	30	27	59
Did not justify	68	71	35
Not sure	2	2	6

Quality and Adequacy of Information About Applicants for Insurance

Most of the insurance industry executives (84%) say their company is getting the information it needs about consumers to make sound judgements about applicants for insurance.

Q.13a
Table 6-10

Whether Companies are Getting Information to Make Sound Judgements about Applicants for Insurance: Insurance

Base: Insurance companies

Is your company getting the information about consumers it needs to make sound decisions about applicants for insurance?

	Insurance Companies %
Base	152
Yes, is	84
No, isn't	7
Not sure	9

There is widespread satisfaction with the quality of reports obtained from consumer reporting agencies for making credit and loan decisions:

- A 78-9% majority of insurance industry executives are "very" or "somewhat satisfied" with the *relevance* of the reports;
- A 77-10% majority of insurance industry executives are "very" or "somewhat satisfied" with the *timely delivery* of the reports;
- A 71-16% majority of insurance industry executives are "very" or "somewhat satisfied" with the *accuracy* of the reports;
- A 71-14% majority of insurance industry executives are "very" or "somewhat satisfied" with the *completeness* of the reports.

Q.17
Table 6-11

Satisfaction With Reports From Commercial Agencies About Applicants for Insurance: Insurance

How satisfied are you with the (*read each item*) of the reports being obtained by you from commercial reporting agencies for making insurance decisions?

	Insurance Companies			
Base: 152	**Very Satisfied**	**Somewhat Satisfied**	**Not very Satisfied / Not Satisfied At All**	**Not Applicable/ Not Sure**
Relevance	23	55	9	14
Timely delivery	27	50	10	13
Accuracy	18	53	16	14
Completeness	11	60	14	15

Confidentiality of Information About Applicants for Insurance

A large majority of insurance industry executives (70%) rate their company as "above average" in protecting the legitimate privacy interests of consumers. Twenty-nine percent rate their company as "above average" in supporting educational campaigns on consumer rights and responsibilities in their industry, and only twenty percent rate their company as "above average" in collecting reliable information on how consumers feel about use of their personal data.

Observation:

As is the case with executives in banking and credit granting industries, many insurance industry executives seem to feel that their institution is doing a sufficiently good job in protecting the legitimate privacy interests of consumers and that extensive further efforts to conduct educational campaigns and in-depth research are not needed.

What is especially striking is how the executives surveyed, in banking and credit granting industries as well as in the insurance industry, overwhelmingly rate their company as above average in protecting the legitimate privacy interests of consumers. This might indicate that representatives of the companies that were surveyed in each industry are the ones diligent about protecting consumer privacy interests. Or, it might mean that there is an instinctive tendency to rate one's own company highly in this regard without giving proper scrutiny to the real privacy issues involved.

Q.15
Table 6-12

Confidentiality Of Information About Applicants For Insurance: Insurance

How would you rate your company on (*read each item*)?

	Insurance Companies			
Base: 152	**Average** %	**Above Average** %	**Somewhat Below Average / Well Below Average** %	**Not Applicable/ Not Sure** %
Protecting the legitimate privacy interests of consumers	70	28	1	1
Supporting educational campaigns on consumer rights and responsibilities in your industry	29	46	20	5
Collecting reliable information on how consumers feel about the use of their personal data	20	51	17	12

FREQUENCY OF DIRECT MARKETING PURCHASES

Purchases of goods through direct marketing mailings are quite prevalent in America today, with a majority of the public saying they've made at least one purchase in the past year. Purchases from TV home shopping clubs and in response to direct marketing telephone calls are less widespread, though they still represent millions of transactions yearly. These results indicate that direct marketing is an accepted practice among a large portion of the American public.

The public sample was asked whether in the past year they had made purchases through each of three types of direct marketing approaches. Those who had made purchases through a given approach were then asked whether they'd made six or more purchases in the past year:

- Over half of the American public (54%) have bought something from a mailing sent to their residence. One in six (16%) have made six or more purchases from mailings;
- Fifteen percent of the public have bought something from a TV home shopping club, with 3% having made six or more purchases;
- Fourteen percent have bought something offered to them by telephone, with 1% having made six or more purchases.

FREQUENCY OF DIRECT MARKETING PURCHASES IN PAST YEAR: PUBLIC

In the past year, have you or members of your household (*read each item*)?

	Public			
Base: 2254	**Bought 6+ Times** %	**Bought Less Often** %	**Not Bought** %	**Not Sure** % (If Bought or not)
Bought something from a mailing sent to your residence	16	38	45	*
Bought something from a TV Home Shopping Club	3	12	85	*
Bought something offered to you by a telephone call to your residence	1	13	86	1

*Less than 0.5%.

Attitudes Toward Use of Consumer Information by Direct Marketers

Privacy issues involved in the use of information about consumers by direct marketers were presented to the public for their reaction in the following statement: "Businesses marketing goods and services directly to consumers are now able to buy from mailing list-making companies information about your consumer characteristics — such as your income level, residential area, and credit card use."

People were then asked: "Do you feel this is a good or bad thing. By a 69-28% margin, the American public considers this use of consumer information to be a "bad" thing. Those who consider it to be a "bad" thing were then asked how concerned they are about it, and 86% say they are "very" or "somewhat concerned."

Q.C3
Table 7-2

Whether Lists Of Consumer Characteristics Should Be Sold: Public

Businesses marketing goods and services directly to consumers are now able to buy from mailing list-making companies information about your consumer characteristics — such as your income level, residential area, and credit card use — and use such information to offer goods and services to you. Do you feel this is a good or bad thing?

	Total Public %
Base: 2254	
Good thing	28
Bad thing	69
Not sure	3

Q.C4
Table 7-3

Level of Concern With Selling Lists of Consumer Characteristics: Public

How concerned are you about this — are you very concerned, somewhat concerned, not very concerned, or not at all concerned?

	Total Public %
Base: 2254	
Very concerned	40
Somewhat concerned	46
Not very concerned	10
Not at all concerned	4
Not sure	*

*Less than 0.5%.

Both the public and direct marketers were presented with another use of consumer information which touches upon privacy concerns: "Some companies want to identify consumers with a certain income and a good credit history, to send them an offer for a premium credit card or a product. They ask credit reporting bureaus to screen their computerized files for those who meet the requirements and then supply just the consumer's name and address. However, they do not get the consumer's advance permission. They were then asked: "Do you feel this practice is acceptable or not acceptable?" Among the public 23% find this practice "acceptable" and 76% find it "unacceptable," while among direct marketing executives 75% find the practice "acceptable" and 21% find it "unacceptable."

Q.C2
Table 7-4

Whether Use of Consumer Information By Direct Marketers is Acceptable: Public and Direct Marketing

Some companies want to identify consumers with a certain income and a good credit history, to send them an offer for a premium credit card or a product. They ask credit reporting bureaus to screen their computerized files for those who meet the requirements and then supply just the consumer's name and address. However, they do not get the consumer's advance permission. Do you feel this practice is acceptable or is not acceptable?

	Total Public %	Direct Marketing %
Base	2254	150
Is acceptable	23	75
Is not acceptable	76	21
Not sure	1	3

Attitudes Toward Use of Consumer Information For Direct Marketing and Pre-Screening Revisited

To test the idea that the generally negative responses to direct marketing may reflect the way the questions were worded, two new series of questions were developed. These questions, which balance the benefits gained by direct marketers and credit card issuers with the benefits gained by consumers, were administered to a full sample in a follow-up interview.

In the first series of questions, those people surveyed in the follow-up interview first were presented with a more balanced description of direct marketing: "Increasingly, companies are marketing goods and services directly to people by mail. Some reasons for this trend are that many people have less time to shop or they prefer to make shopping decisions at home. Also, companies are trying to reduce their costs of advertising and selling in stores, and they find direct marketing can reduce their expenses and their product prices. Companies try to learn which individuals and households would be the most likely buyers of their products or service. They buy names and addresses of people in certain age groups, estimated income groups, and residential areas with certain shopping patterns so they can mail information to the people they think will be most interested in what they are selling." By better than a two-to-one majority (67-31%), the American public finds these practices "acceptable." More than 60% of each demographic segment of the population finds these practices "acceptable," except for a smaller 54% majority of people fifty years of age and older. Although those people living in households where somebody within the past year has bought goods or services or responded to offers of credit through the mail are more likely (76%) to find these practices "acceptable," nonetheless, a 61% majority of people living in households where nobody has done these things finds the practices "acceptable."

Q.9
Table 7-5

Whether Use of Names and Addresses By Direct Marketers Is Acceptable: Public

Increasingly, companies are marketing goods and services directly to people by mail. Some reasons for this trend are that many people have less time to shop or they prefer to make shopping decisions at home. Also, companies are trying to reduce their costs of advertising and selling in stores, and they find direct marketing can reduce their expenses and their product prices.

Companies try to learn which individuals and households would be the most likely buyers of their products or service. They buy names and addresses of people in certain age groups, estimated income groups, and residential areas with certain shopping patterns so they can mail information to the people they think will be most interested in what they are selling. Do you find this practice acceptable or unacceptable?

	Base	Acceptable %	Unacceptable %	Not Sure %
Total Public	2253	67	31	2
Sex				
Male	1018	67	30	2
Female	1235	67	31	2
Age				
8-29 years	505	79	20	1
30-49 years	990	70	28	2
50 years and over	734	54	42	4
Education				
Less than high school	264	62	35	3
High school graduate	794	69	30	2
Some college	570	67	31	3
College graduate	357	75	24	1
Postgraduate	253	64	34	2
Race				
White	1934	66	31	2
Black	186	70	27	3
Hispanic	133	69	29	2
Household Member				
Bought/Responded to credit offer by mail	883	76	23	1
Hasn't bought/responded to credit offer by mail	1345	61	36	3

A series of follow-up questions addressed only to those people who found the practices "unacceptable" explored whether their misgivings would be eased by each of a series of protective measures which could be taken.

With each one of these protective measures in turn taken into account:

- Eighty-eight percent of the American public says this use of names and addresses would be "acceptable" if people not wanting to receive these offers by mail could have their name excluded.
- Seventy-five percent of the public says this use of names and addresses would be "acceptable" if they could be sure no personal financial information was provided to the company.

Q.11, Q.10
Table 7-6

Whether Use of Names and Addresses By Direct Marketers Is Acceptable With Protective Measures: Public

If (*read each item*) people not wanting to receive these offers by mail could have their names excluded, would this use of names and addresses be acceptable or unacceptable to you?

	Total Public %
People not wanting to receive these offers by mail could have their names excluded	
Acceptable	88
Unacceptable	10
Not sure	3
You could be sure that no personal financial information was provided to the company	
Acceptable	75
Unacceptable	22
Not sure	3

In the second series of questions, the practices used by credit card issuers in pre-screening potential customers were presented in the following manner: "Credit card issuers also market directly to consumers. To make sure that they send information only to people who qualify, they ask credit bureaus to tell them which individuals meet their credit standards before they send a credit offer." By a better than two-to-one margin (66-32%), Americans find this practice "acceptable." Substantial majorities of at least 60% of all demographic segments of the population say this practice is "acceptable." Those living in households where someone in the past year has purchased goods or services or responded to an offer of credit by mail are only slightly more likely to find this practice "acceptable" (69%) than people in households where nobody has (64%).

Q.12
Table 7-7

Whether Use of Credit Records For Pre-Screening Is Acceptable: Public

Credit card issuers also market directly to consumers. To make sure they send information only to people who qualify, they ask credit bureaus to tell them which individuals meet their credit standards before they send a credit offer. Is this practice acceptable or unacceptable to you?

	Base	Acceptable %	Unacceptable %	Not Sure %
Total Public	2253	66	32	2
Sex				
Male	1018	68	30	2
Female	1235	64	35	1
Age				
18-29 years	505	70	29	1
30-49 years	990	63	36	1
50 years and over	734	66	31	3
Education				
Less than high school	264	67	30	3
High school graduate	794	67	32	1
Some college	570	65	34	1
College graduate	357	64	35	*
Postgraduate	253	64	34	2
Race				
White	1934	66	32	2
Black	186	61	37	2
Hispanic	133	73	26	*
Household Member				
Bought/Responded to credit offer by mail	883	69	31	1
Hasn't Bought/Responded to credit offer by mail	1345	64	34	2

*Less than 0.5%.

Again, a series of follow-up questions addressed only to those people who found the practice "unacceptable" explored whether their misgivings would be eased by each of a series of protective measures which could be taken.

With each one of these protective measures taken into account:

- Eighty-nine percent of the American public says this use of credit records would be "acceptable" if people who did not want to be offered credit cards by mail could request not to have their name and address used for this kind of screening.
- Eighty-three percent of the public says this use of credit records would be "acceptable" if they could be sure no personal financial information was provided to the company other than the name and address of people meeting the credit requirements.
- Eighty-one percent of the public says this use of credit records would be "acceptable" if they could be sure it would not affect people's ability to get credit when they ask for it.

Observation:

The results show widespread public support both for direct marketers being able to use names and addresses of potential customers and for credit card issuers being able to use personal financial information in deciding who should receive offers of new credit cards. Despite the concern voiced about the potential misuse of personal information, the public overwhelmingly feels that if safeguards can be put into place, direct marketers and credit card issuers should be free to use personal information about consumers in making their marketing decisions and implementing their marketing strategies.

Q.13, 14, 15
Table 7-8

Whether Use Of Credit Records For Pre-Screening Is Acceptable With Protective Measures: Public

Would this use of credit records be acceptable or unacceptable if (*read each item*)?

	Total Public %
People who did not want to be offered credit cards by mail request not to have name and address used for this kind of screening	
Acceptable	89
Unacceptable	9
Not sure	2
Be sure that no personal financial information was provided to the company other than the name and address of people meeting the credit requirements	
Acceptable	83
Unacceptable	14
Not sure	3
You could be sure it would not affect people's ability to get credit when they ask for it	
Acceptable	81
Unacceptable	15
Not sure	3

How Executives Assess Public Concern Over Use of Consumer Information

Executives in privacy-intensive industries, including direct marketing, regard consumer concern over the use of information from credit bureau files for direct marketing purposes to be genuine and not blown out of proportion. To a somewhat lesser extent, consumer concern over compiling lists for use in direct marketing is also regarded as genuine and not blown out of proportion:

- When asked about compiling lists of consumer characteristics for use in direct marketing, consumer affairs executives (57-38%), insurance industry executives (51-47%), and human resources executives (50-46%) are more likely to feel consumers are genuinely concerned, while executives of banks and thrifts (48-50%), executives of credit grantors (39-59%), and direct marketing executives (35-59%) are more likely to feel the issue is blown out of proportion by the media or by privacy advocates.
- When asked about the use of information from credit bureau files for direct marketing purposes, all groups are more likely to feel that consumers are genuinely concerned. Insurance industry executives are most likely to feel this way (67-32%), followed by consumer affairs executives (65-25%), human resources executives (60-36%), executives of banks and thrifts (58-38%), direct marketing executives (54-41%), and executives of credit grantors (51-47%).

Q.A11a
Table 7-9

Whether Concern For Use Of Consumer Information Is Genuine Or Blown Out Of Proportion: Leaders

Do you feel that consumers are genuinely concerned about (*read each item*)? Is this a matter that you feel is being blown out of proportion by the media or privacy advocates?

	Leaders					
	Privacy-Intensive Industries					Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	152	150	157	150	203	104
Compiling lists of consumer characteristics for use in direct marketing						
Genuinely concerned	51	39	48	35	50	57
Blown out of proportion	47	59	50	59	46	38
Not sure	1	3	2	6	4	5
Using information from credit bureau files for direct marketing purposes						
Genuinely concerned	67	51	58	54	60	65
Blown out of proportion	32	47	38	41	36	25
Not sure	1	2	4	5	4	10

CONCERN OVER PRIVACY AND CALLER ID

Caller ID is a new feature of telecommunications service which has raised the question of whether people have the right to keep their telephone number from being known by people or businesses whose telephone numbers they themselves call. It is currently only available in certain parts of the United States but has been widely discussed in the news media.

The public sample was initially asked a straightforward question with a minimum of explanation designed to elicit a top-of-mind reaction to Caller ID: "A new telephone service, Caller ID, is available in some states. People with this service will be able to see the telephone number of the person calling them. Do you think telephone companies should be allowed to sell this service to people who want to buy it, or not?" Overall, a 55-43% majority think telephone companies should be allowed to sell Caller ID. Looking at specific segments of the population:

- Men (60-38%) are more likely than women (50-48%) to think Caller ID should be allowed to be sold;
- People between the ages of 18-29 (65-33%) are more likely than those between 30 and 49 (56-42%) to think Caller ID should be allowed to be sold. People 50 and over (45-53%) think telephone companies should not be allowed to sell Caller ID;
- By level of education, people with a post-graduate degree (61-35%) are most likely to think Caller ID should be sold. People with less than a high school education (48-50%) by a narrow margin think Caller ID should not be sold;
- By income, people in households with income over $50,000 (60-38%) and between $35,001 and $50,000 (60-39%) are most likely to think Caller ID should be sold. Those in households with income of $15,000 or less (50-48%) by a much narrower margin think Caller ID should be sold;
- Fifty-one percent of people with unlisted telephone numbers think telephone companies should be allowed to sell Caller ID;
- People who are not distrustful are most likely (59-40%) to think caller ID should be allowed to be sold, while people who are very distrustful are least likely (50-48%) to think Caller ID should be sold.

Observation:

Some of the arguments which have been used against allowing Caller ID to be sold are not supported by the survey results. People with unlisted phone numbers, who had been presumed to be vehemently against the introduction of Caller ID, support it, though by a smaller margin than the American public as a whole. Women, who it was thought would more strongly favor Caller ID than men because of its potential for screening potentially harassing phone calls, are considerably less likely than men to think Caller ID should be allowed.

Q.B1
Table 8-1

WHETHER CALLER ID SHOULD BE ALLOWED TO BE SOLD: PUBLIC

A new telephone service, "Caller ID," is available in some states. People with this service will be able to see the telephone number of the person calling them. Do you think telephone companies should be allowed to sell this service to people who want to buy it, or not?

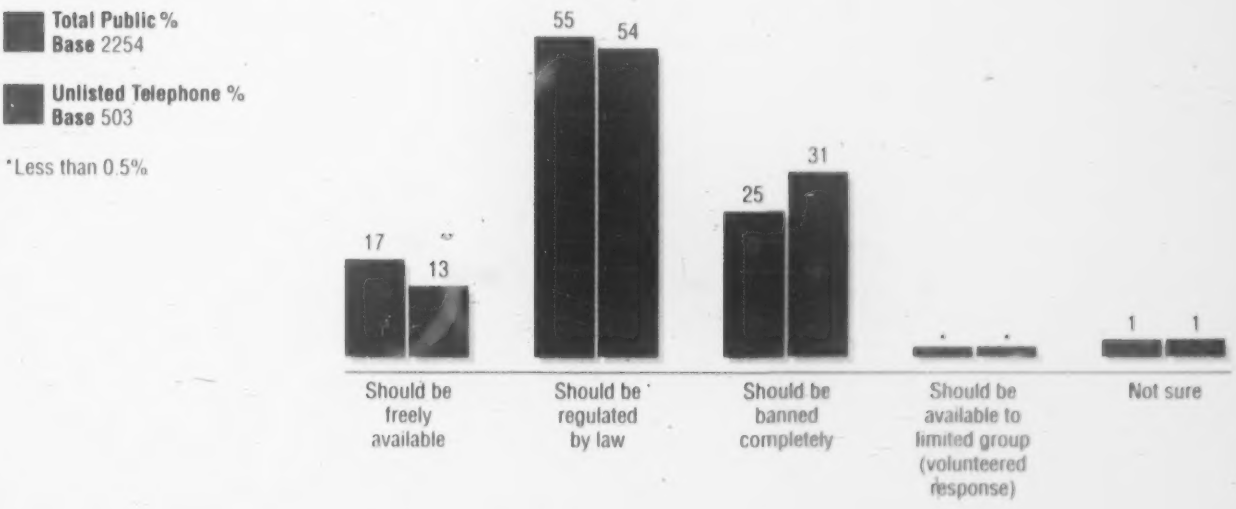
	Total Public	Yes, Should Be Allowed To Sell %	No, Shouldn't Be Allowed To Sell %	Not Sure %
Base	2254	55	43	2
Sex				
Male	1082	60	38	2
Female	1172	50	48	2
Age				
18-29 years	541	65	33	2
30-49 years	991	56	42	2
50 and over	705	45	53	2
Education				
Less than high school	255	48	50	2
High school graduate	805	55	44	1
Attended college	581	60	38	2
College graduate	383	56	42	2
Postgraduate	222	61	35	4
Race				
White	1925	55	43	2
Black	207	58	40	2
Hispanic	122	50	49	1
Income				
Under $15,000	435	50	48	3
$15,001-$25,000	417	58	41	1
$25,001-$35,000	373	52	46	2
$35,001-$50,000	372	60	39	2
$50,001 and over	411	60	38	2
Unlisted telephone	487	51	47	2
Distrust				
High	488	50	48	2
Medium	669	53	45	2
Low	740	58	39	2
No	357	59	40	1

After the initial question, respondents were presented with some of the reasons voiced for and against Caller ID: "Some people think this Caller ID service is a good idea because it would allow people to screen incoming calls, and because companies will be able to pull up customer records when people call with a query. Other people think it is a bad idea because it will give away people's unlisted numbers and people will no longer be able to call up help or hotlines and remain anonymous." They were then asked: "Considering these arguments, do you feel this new service should be freely available, *or* that it should be regulated by law, *or* that it should be banned completely." In response to this, 55% say Caller ID should be regulated by law, while 25% say Caller ID should be banned completely, and 17% say Caller ID should be freely available. Among people with unlisted telephone numbers, an almost identical 54% say Caller ID should be regulated by law, while a somewhat higher percentage than among the public as a whole (31%) say Caller ID should be banned completely. A somewhat lower percentage than among the public (13%) say Caller ID should be freely available.

Q.B2
Table 8-2

Whether Caller ID Should Be Regulated I: Public

Some people think this "Caller ID" service is a good idea because it would allow people to screen incoming calls, and because companies will be able to pull up customer records faster when people call with a query. Others think it is a bad idea because it will give away people's unlisted numbers and people will no longer be able to call up help or hotlines and remain anonymous. Considering these arguments, do you feel this new service should be freely available, *or* that it should be regulated by law, *or* that it should be banned completely?



Concern Over Privacy and Caller ID Revisited

After reviewing the data collected in the previous section, it was thought desirable to test a revised description of Caller ID which would address two aspects of the service not touched upon in the previous questions: 1) Early reports that areas where Caller ID is in use show a drop in obscene or harassing phone calls; and 2) The alternative that Caller ID be permitted by regulators only if people making calls have the ability to block the display of the number they are calling from if they wish to do so.

Those people surveyed in the follow-up interview were presented with the following description of Caller ID: "Some telephone companies are offering a new service that displays to subscribers the telephone number of the person calling them when the phone rings. Some people are worried that this will reduce privacy of telephone use, by giving away people's unlisted numbers and because people will no longer be able to call help or hotlines and remain anonymous. Telephone companies say the services will allow people to screen out unwanted calls. They also report that tests of the service and publicity about it have produced a drop in obscene or harassing calls." They were then asked whether they "feel this new service should be available to telephone subscribers without any limitations, permitted by regulators only if calling parties have the ability to block display of their telephone number when they want to, or forbidden by law, as too intrusive."

In response to this question, nearly half of the American people (48%) say Caller ID should be permitted by regulators only if calling parties have the ability to block the display of their number, just over a quarter (27%) say Caller ID should be forbidden by law, and just under a quarter (23%) say Caller ID should be available without any limitations. People with unlisted telephones are just about as likely as the rest of the population to opt for regulation if blocking is allowed (47%), slightly more likely to opt for forbidding Caller ID by law (31%), and slightly less likely to opt for making Caller ID available without limitations (20%).

Observation:

Comparing the responses to the original and revised questions it is clear that: 1) Of the three alternatives, the American public prefers that Caller ID be allowed but regulated, whether or not the ability to block a number from being displayed is a required feature. 2) Mentioning the role on Caller ID in decreasing the frequency of obscene and harassing phone calls results in a small increase (6%) in the percentage that favors Caller ID being available without limitations. Even so, this remains the least popular alternative, especially among people with unlisted phone numbers. 3) In each case, roughly a quarter of the American public favors forbidding Caller ID by law.

The results of the follow-up question confirm that the American public, weighing the pros and cons of Caller ID, would prefer making Caller ID available with regulation.

Q.16
Table 8-3

WHETHER CALLER ID SHOULD BE REGULATED II: PUBLIC

Some telephone companies are offering a new service that displays to subscribers the telephone number of the person calling them when the phone rings. Some people are worried that this will reduce privacy of telephone use, by giving away people's unlisted numbers and because people will no longer be able to call help or hotlines and remain anonymous. Telephone companies say the service will allow people to screen out unwanted calls. They also report that tests of the service and publicity about it have produced a drop in obscene or harassing calls.

Considering these arguments, do you feel this new service should be (*read each item*), or not?

	Total Public %	Unlisted Telephone %
Base	2254	460
Available to telephone subscribers without any limitations	23	20
Permitted by regulators only if calling parties have the ability to block display of their telephone number when they want to	48	47
Forbidden by law as too intrusive	27	31
Not sure	3	2

COMPUTERS AND PRIVACY

Among the groups of executives surveyed, majorities (ranging from 50% to 64%) feel that the present uses of computers are not an actual threat to privacy in this country: 64% of executives of credit grantors, 62% of direct marketing executives, 56% of insurance industry executives, 55% of human resources executives, as do 54% of executives of banks and thrifts, and 50% of consumer affairs executives feel this way. However, substantial minorities of executives in each category (with major increases among executives surveyed in 1978) do see computers as an actual threat.

Q.B1
Table 9-1

DO COMPUTERS THREATEN PRIVACY? LEADERS 1978 AND 1990

And now some questions on *computers*. Do you feel that the present uses of *computers* are an actual threat to personal privacy in the country, or not?

	1978*/ 1990					
	Privacy-Intensive Industries					Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	36 / 152	72 / 150	36 / 157	/ 150	/ 203	/ 104
Present uses are a threat	33 / 44	29 / 35	22 / 45	/ 37	/ 44	/ 47
Not a threat	64 / 56	70 / 64	78 / 54	/ 62	/ 55	/ 50
Not sure	3 / -	1 / 1	- / 1	/ 1	/ 1	/ 3

* *Dimensions of Privacy*, Harris, 1979.

Executives in privacy-intensive industries, while expressing a belief that computers have improved the quality of life, for the most part acknowledge that the increasing use of computers does pose some degree of threat to personal privacy.

Attitudes toward the benefits and risks of the use of computers are explored in greater depth by examining the responses to a series of statements about computers. Benefits arising from the use of computers are readily acknowledged:

- Between 88% and 95% of each group of executives agree that computers have improved the quality of life in our society;
- Between 86% and 95% of each group agree that because computers can make use of more personal details about people, companies can provide customers with more individualized service than before.

Risks to privacy arising from computer use are recognized, though not quite to the same degree:

- Between 72% and 80% of each group agree that computers have made it much easier for someone to obtain confidential, personal information about individuals improperly;
- Fifty-seven percent of executives of credit grantors agree that in general the privacy of personal information in computers is adequately safeguarded. (This is down from 71% in 1978.) However, less than half the executives in each of the other groups agree with this: 48% of direct marketing executives agree, as do 47% of insurance company executives (down from 61% in 1978), 46% of executives of banks and thrifts, 39% of human resources executives, and 33% of consumer affairs executives;
- Between 22% and 33% of each group of executives agree that if privacy is to be preserved, the use of computers must be sharply restricted in the future.

Q.B2
Table 9-2

AGREEMENT WITH STATEMENTS ABOUT COMPUTERS: LEADERS 1978 AND 1990

I'd like to read you some statements that people have made about computers. I would like *you to tell me whether* you agree or disagree with each statement.

	1978*/ 1990					
	Privacy-Intensive Industries					Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	36 / 152	72 / 150	36 / 157	/ 150	/ 203	/ 104
Computers have improved the quality of life in our society						
Agree	94 / 93	96 / 89	89 / 90	/ 92	/ 95	/ 88
Disagree	6 / 7	5 / 9	11 / 9	/ 8	/ 5	/ 11
Not sure	- / 1	- / 3	- / 1	/ -	/ -	/ 1
Because computers can make use of more personal details about people, companies can provide customers with more individualized service than before						
Agree	76 / 86	86 / 95	81 / 92	/ 95	/ 92	/ 88
Disagree	19 / 14	13 / 5	11 / 7	/ 5	/ 7	/ 11
Not sure	3 / -	1 / -	8 / 1	/ -	/ 1	/ 1
Computers have made it much easier for someone to obtain confidential personal information about individuals improperly						
Agree	72 / 72	59 / 71	36 / 75	/ 71	/ 80	/ 79
Disagree	28 / 28	40 / 27	58 / 24	/ 27	/ 18	/ 18
Not sure	- / 1	1 / 1	6 / 1	/ 2	/ 1	/ 3
In general, the privacy of personal information in computers is adequately safeguarded						
Agree	61 / 47	71 / 57	78 / 46	/ 48	/ 39	/ 33
Disagree	28 / 52	23 / 40	17 / 52	/ 48	/ 57	/ 66
Not sure	11 / 1	5 / 3	6 / 3	/ 4	/ 4	/ 1
If privacy is to be preserved, the use of computers must be sharply restricted in the future						
Agree	25 / 22	16 / 33	8 / 32	/ 25	/ 26	/ 28
Disagree	69 / 77	83 / 67	86 / 66	/ 74	/ 73	/ 71
Not sure	6 / 1	2 / -	6 / 1	/ 1	/ 1	/ 1

* *Dimensions of Privacy*, Harris, 1979.

Media Portrayal of Consumer and Employee Privacy Issues Arising From the Use of Computers

With regard to reporting about the privacy issues involved in the more computerized collection and use of personal information for business decisions about consumers, both the executives in privacy-intensive industries and consumer affairs executives believe the media to be distorted in presenting the privacy issue, and overly simplistic in presenting the real complexities involved in assessing consumer operations. Executives regard media reporting on business practices in the collection and use of consumer information to be more accurate, though even here a considerable minority of the executives surveyed view such reporting as not accurate.

The executives surveyed were asked three questions about how they view recent treatment by the major TV networks, newspapers and national magazines about the privacy issues involved in the more computerized collection and use of personal information for business decisions about consumers:

- The media are viewed as "accurate" in their reporting of what business practices are by majorities of consumer affairs executives (57-34%), insurance industry executives (57-38%), and executives of banks and thrifts (55-36%), and by a plurality of direct marketing executives (49-40%). Media reporting is regarded as not accurate by a plurality of executives of credit grantors (43-49%);
- The media are viewed as "distorted" rather than "balanced" in presenting the privacy issue by majorities of executives of credit grantors (61-32%), insurance industry executives (61-36%), direct market executives (57-37%), and executives of banks and thrifts (54-37%), and by a plurality of consumer affairs executives (49-41%);
- The media are viewed as "overly simplistic" rather than "fair" in presenting the real complexities businesses face in assessing consumer applications by large majorities of insurance company executives (81-16%), direct marketing executives (75-19%), executives of credit grantors (69-23%), executives of banks and thrifts (68-25%), and consumer affairs executives (61-31%).

In a parallel series of questions addressing recent treatment by the major TV networks, newspapers, and national magazines of employee privacy issues, the responses of human resources executives follow a similar pattern. A plurality views media portrayal of employer practices as "accurate." However, large majorities view the media as "distorted" in presenting the privacy issue and "overly simplistic" in presenting the complexities businesses face in making job applicant and employment decisions.

Q.B3
Table 9-3

Media Treatment Of Privacy Issues In Consumer Decisions By Companies: Leaders

By and large, how do you view recent treatment by the major TV networks, newspapers, and national magazines about the privacy issues involved in the more computerized collection and use of personal information for business decisions about consumers? From your knowledge, would you say the media have generally been *(read each item)?*

	Leaders					
	Privacy-Intensive Industries					Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	152	150	157	150	203	104
Accurate or not accurate in their reporting of what business practices are						
Accurate	57	43	55	49	46	57
Not accurate	38	49	36	40	43	34
Not sure	5	8	10	11	11	10
Balanced or distorted in presenting the privacy issue						
Balanced	36	32	37	37	33	41
Distorted	61	61	54	57	60	49
Not sure	3	7	9	7	7	10
Fair or overly simplistic in presenting the real complexities businesses face in assessing consumer applications						
Fair	16	23	25	19	21	31
Overly simplistic	81	69	68	75	73	61
Not sure	3	8	7	6	6	9

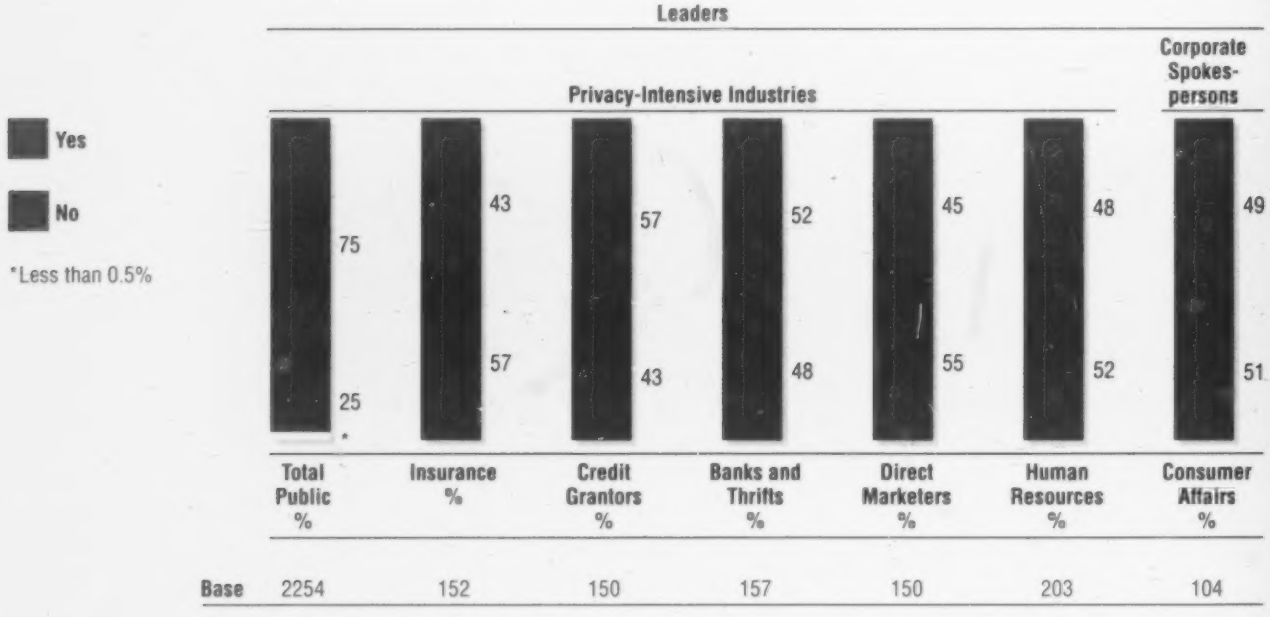
How Computer Use Might Improve the Quality of Life and Enhance Privacy

While one-quarter of Americans (25%) say they have a computer at home, the executives surveyed are far more likely than the public to have a home computer: 57% of insurance industry executives say they have one, as do 55% of direct marketing executives, 52% of human resources executives, 51% of consumer affairs executives, 48% of executives of banks and thrifts, and 43% of executives of credit grantors.

Q.K2, K1
Table 9-4

Whether Have A Computer At Home: Public and Leaders

Do you have a computer at home?



Although computers are currently in only one-quarter of American households, a sizeable portion of the public expresses interest in the possibility of using on-line systems to explore further issues of concern to consumers and to examine their own credit reports. A lesser, though not negligible, degree of interest is expressed in being able to communicate on-line with a charity or civic group and to receive on-line offers of goods and services based on an individual's interests.

The public and the leaders were asked to suppose they had a computer at home, whether they actually did have one. They were then presented with four types of on-line information services and asked how valuable they'd find each one to be:

- The ability to "dial into a public library or other nonprofit service to locate experts or publications on a consumer issue of concern to them" would be "very or somewhat valuable" to 68% of the American public. It would be very valuable to 84% of direct marketing executives, 82% of consumer affairs executives, 78% of human resources executives, 73% of executives of credit grantors, 65% of insurance industry executives, and 61% of executives of banks and thrifts.
- The ability to "examine your current credit report, after identifying yourself properly to the credit bureau" would be "very or somewhat valuable" to 61% of the American public and between 53% and 68% of each group of executives.
- The ability to "communicate with a charity or civic group you were active in to give your views or volunteer for assignments" would be "very or somewhat valuable" to 58% of the American public, and between 45% and 59% of each group of executives.
- The ability to "provide a confidential service with information about your interests, and then receive special offers of goods and services directly related to those interests" would be "very or somewhat valuable" to 48% of the American public and between 43% and 67% of each group of executives.

Q.K4
Table 9-5

How Valuable On-Line Services Would Be: Public and Leaders

Suppose you had a computer at home which would enable you to obtain and display information from on-line information services. How valuable would it be to you to be able to (*read each item*)?

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
Dial into a public library or other nonprofit service to locate experts or publications on a consumer issue of concern to you							
Very valuable	34	15	22	22	37	33	47
Somewhat valuable	34	50	51	39	47	45	35
Not very valuable	14	25	13	29	14	15	15
Not valuable at all	17	10	14	10	3	6	3
Not sure	*	-	-	1	-	-	-
Examine your current credit report, after identifying yourself properly to the credit bureau							
Very valuable	29	24	18	20	31	26	37
Somewhat valuable	32	36	41	33	36	42	39
Not very valuable	15	24	25	26	21	19	16
Not valuable at all	23	16	15	21	12	13	8
Not sure	1	-	-	-	-	-	-
Communicate with a charity or civic group you were active in to give your views or volunteer for assignments							
Very valuable	22	9	11	12	16	17	16
Somewhat valuable	36	36	39	34	41	35	43
Not very valuable	20	37	29	32	31	31	24
Not valuable at all	21	19	20	20	12	17	15
Not sure	1	-	-	1	1	*	1
Provide a confidential service with information about your interests, and then receive special offers of goods and services directly related to those interests							
Very valuable	16	11	7	5	16	11	16
Somewhat valuable	32	38	43	40	51	32	33
Not very valuable	22	32	31	29	25	35	25
Not valuable at all	29	18	19	25	9	22	26
Not sure	1	1	-	1	-	*	-

*Less than 0.5%.

EXPERIENCE WITH CURRENT LAWS

The executives interviewed are most likely to be familiar with the Fair Credit Reporting Act, somewhat less likely to be familiar with the Equal Credit Opportunity Act, and least likely to be familiar with the Fair Credit Billing Act:

- Ninety-seven percent of executives of banks and thrifts are aware of the Fair Credit Reporting Act, as are 94% of insurance industry executives, 91% of executives of consumer credit grantors, 87% of consumer affairs executives, and 80% of human resources executives;
- Ninety-two percent of executives of banks and thrifts are aware of the Equal Credit Opportunity Act, as are 87% of executives of consumer credit grantors, 63% of insurance industry executives, and 56% of consumer affairs executives;
- Sixty-eight percent of executives of credit grantors are aware of the Fair Credit Billing Act, as are 66% of the executives of banks and thrifts, 37% of consumer affairs executives, and 33% of insurance industry executives.

Q.11a
Table 10-1

WHETHER AWARE OF CURRENT LEGISLATION: INSURANCE, CREDIT GRANTORS, BANKS AND THRIFTS, HUMAN RESOURCES, AND CONSUMER AFFAIRS

Which of the following federal consumer protection laws are you aware of? Are you aware of (*read each item*), or not?

	Privacy-Intensive Industries				Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Human Resources %	Consumer Affairs %
Base	152	150	157	203	104
The Fair Credit Reporting Act					
Yes, aware	94	91	97	80	87
No, not aware	6	9	3	18	13
Not sure	-	-	-	2	1
The Equal Credit Opportunity Act					
Yes, aware	63	87	92	NA	56
No, not aware	36	13	7	NA	42
Not sure	1	-	1	NA	2
The Fair Credit Billing Act					
Yes, aware	33	68	66	NA	37
No, not aware	65	31	32	NA	59
Not sure	2	1	3	NA	5

NA = Not Applicable

Executives believe that current laws have not significantly increased their companies' business costs. Among those executives aware of a given law:

- ▲ Human resources executives, by 78-11% say the Fair Credit Reporting Act has not significantly increased business costs, as do executives of insurance companies (72-12%), executives of credit grantors (54-32%), consumer affairs executives (51-10%), and executives of banks and thrifts (51-43%);
- ▲ Executives of insurance companies (72-9%) say the Equal Credit Opportunity Act has not significantly increased business costs, as do executives of credit grantors (66-22%), executives of banks and thrifts (59-35%), and consumer affairs executives (43-16%);
- ▲ Executives of insurance companies (72-10%) say the Fair Credit Billing Act has not significantly increased business costs, as do executives of credit grantors (64-27%), executives of banks and thrifts (54-37%), and consumer affairs executives (39-26%).

Q.11b
Table 10-2

Whether Current Laws Have Increased Business Costs: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs

Base: Aware of legislation

Has (*read each item*) significantly increased your business costs, or not?

	Privacy-Intensive Industries				Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Human Resources %	Consumer Affairs %
The Fair Credit Reporting Act					
Base: Aware of Fair Credit Reporting Act	143	136	152	162	90
Yes, has	12	32	43	11	10
No, hasn't	72	54	51	78	51
Not sure	16	13	5	11	39
The Equal Credit Opportunity Act					
Base: Aware of Equal Credit Opportunity Act	96	131	145	-	58
Yes, has	9	22	35	NA	16
No, hasn't	72	66	59	NA	43
Not sure	19	12	6	NA	41
The Fair Credit Billing Act					
Base: Aware of Fair Credit Billing Act	50	102	103	-	38
Yes, has	10	27	37	NA	26
No, hasn't	72	64	54	NA	39
Not sure	18	9	9	NA	34

NA = Not Applicable.

There is a great deal of uncertainty as to whether current laws have improved or weakened their ability to make good risk decisions. For a given law, between 38% and 69% of each group of executives gave a "not sure" response to this question. Among those who did answer the question, more executives say that current laws have improved their ability to make good risk decisions:

- Executives of banks and thrifts (49-13%) say the Fair Credit Reporting Act has improved rather than weakened their ability to make good risk decisions, as do executives of credit grantors (45-10%), insurance industry executives (35-17%), consumer affairs executives (32-11%), and human resources executives (19-12%);
- Executives of credit grantors (39-20%) say the Equal Credit Opportunity Act has improved rather than weakened their ability to make good risk decisions, as do insurance industry executives (38-11%), executives of banks and thrifts (38-21%), and consumer affairs executives (31-10%);
- Executives of banks and thrifts (47-10%) say the Fair Credit Billing Act has improved rather than weakened their ability to make good risk decisions, as do insurance industry executives (34-8%), consumer affairs executives (32-21%), and executives of credit grantors (30-18%).

Q.11c
Table 10-3

Whether Current Laws Have Improved or Weakened Ability To Make Risk Decisions: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs

Base: Aware of legislation

Has (*read each item*) improved or weakened your ability to make good risk decisions, or not?

	Privacy-Intensive Industries				Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Human Resources %	Consumer Affairs %
The Fair Credit Reporting Act					
Base: Aware of Fair Credit Reporting Act	143	136	152	162	90
Improved	35	45	49	19	32
Weakened	17	10	13	12	11
Not Sure	48	46	38	69	57
The Equal Credit Opportunity Act					
Base: Aware of Equal Credit Opportunity Act	96	131	145	-	58
Improved	38	39	38	NA	31
Weakened	11	20	21	NA	10
Not sure	51	41	41	NA	59
The Fair Credit Billing Act					
Base: Aware of Fair Credit Billing Act	50	102	103	-	38
Improved	34	30	47	NA	32
Weakened	8	18	10	NA	21
Not sure	58	52	44	NA	47

NA = Not Applicable.

Large majorities of each group of executives favor keeping rather than repealing current laws:

- Retention of the Fair Credit Reporting Act is favored by 88% of executives of banks and thrifts, 85% of executives of credit grantors, 84% of insurance industry executives, 69% of consumer affairs executives, and 68% of human resources executives;
- Retention of the Equal Credit Opportunity Act is favored by 86% of executives of banks and thrifts, 86% of insurance industry executives, 84% of executives of credit grantors, and 79% of consumer affairs executives;
- Retention of the Fair Credit Billing Act is favored by 84% of executives of credit grantors, 83% of executives of banks and thrifts, 76% of insurance industry executives, and 71% of consumer affairs executives.

Observation:

Large majorities of executives report that compliance with consumer protection laws has *not* increased their costs. Although some executives, especially those working for credit grantors or banks and thrifts, report that current privacy-related laws have increased their business costs, there is still widespread agreement that such laws should be kept rather than repealed. This suggests an acceptance of the status quo with regard to privacy-related laws.

Q.11d
Table 10-4

Whether Current Laws Should Be Kept or Repealed: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs

Base: Aware of legislation

Do you favor keeping or repealing (*read each item*)?

	Privacy-Intensive Industries				Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Human Resources %	Consumer Affairs %
The Fair Credit Reporting Act					
Base: Aware of Fair Credit Reporting Act	143	136	152	162	90
Keep	84	85	88	68	69
Repeal	3	8	11	10	4
Not sure	13	7	1	22	27
The Equal Credit Opportunity Act					
Base: Aware of Equal Credit Opportunity Act	96	131	145	-	58
Keep	86	84	86	NA	79
Repeal	3	8	11	NA	3
Not sure	10	8	3	NA	17
The Fair Credit Billing Act					
Base: Aware of Fair Credit Billing Act	50	102	103	-	38
Keep	76	84	83	NA	71
Repeal	8	10	11	NA	8
Not sure	16	6	6	NA	21

NA = Not Applicable.

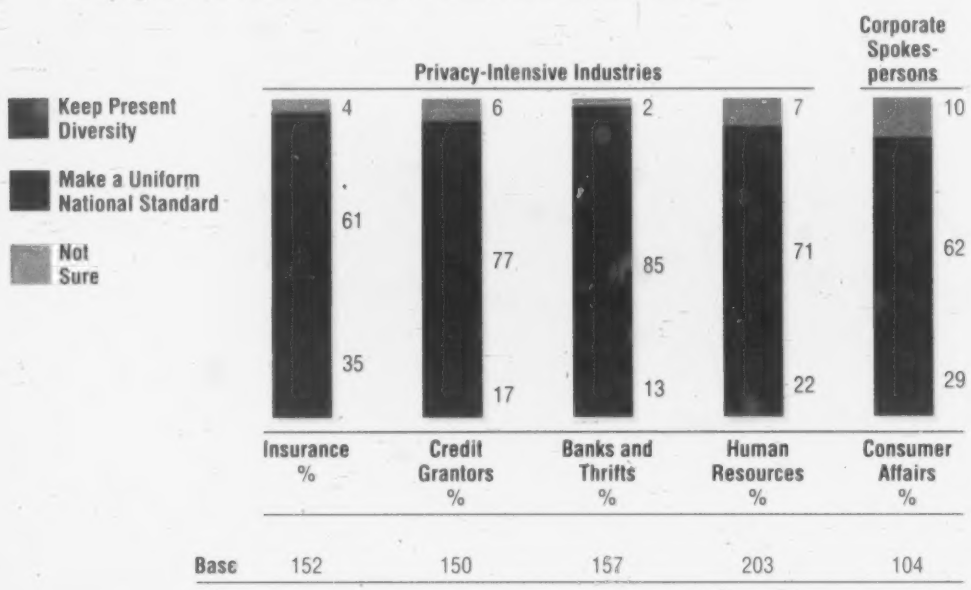
Given the choice, large majorities of the executives interviewed think the present system, which has both federal and state consumer protection laws with different rights and rules concerning the reporting of information about individuals, should be changed to make the current federal law a uniform national standard:

- Eighty-five percent of executives of banks and thrifts and 77% of executives of credit grantors would prefer making the federal law a uniform national standard for credit reporting;
- Seventy-one percent of human resources executives would prefer making the federal law a uniform national standard for pre-employment reporting;
- Sixty-one percent of insurance industry executives would prefer making the federal law a uniform national standard for pre-insurance reporting;
- Sixty-two percent of consumer affairs executives would prefer making the federal law a uniform national standard for pre-insurance, pre-employment, and credit reporting.

Whether There Should Be A Uniform National Standard For Reporting Information About Individuals: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs

Q.12
Table 10-5

Do you favor keeping the present system which has both federal and state consumer protection laws with different rights and rules involving (pre-insurance/credit/pre-employment) reporting, or would you favor making the current federal law a uniform national standard?



HOW CORPORATIONS CURRENTLY ADDRESS PRIVACY CONCERNS

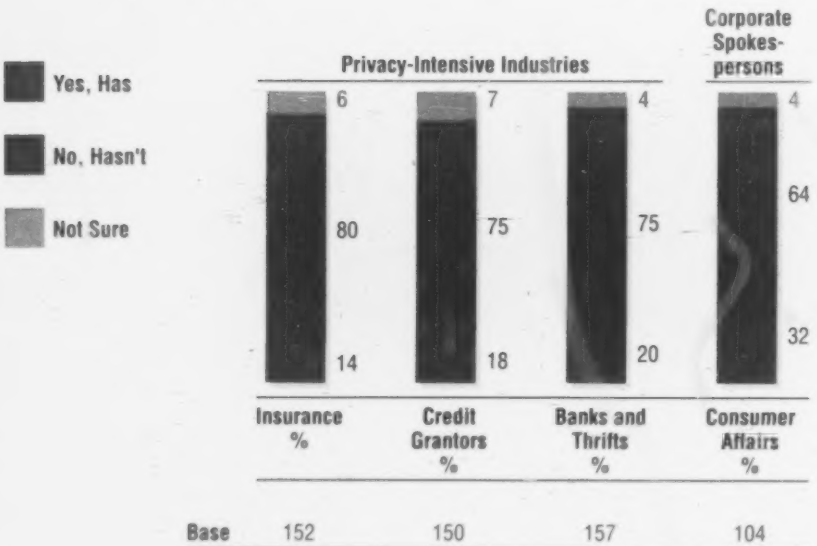
Advisory boards and panels dealing with privacy issues are not common among certain privacy-intensive industries. Moreover, most of the executives in these industries who were surveyed do not think their company should set up an advisory board or panel.

According to their executives, relatively few corporations among those surveyed have created an advisory board or panel made up of consumer group representatives to help management identify consumer concerns and develop responsive policies. Thirty-two percent of consumer affairs executives say their company has such a board or panel, as do only 20% of banks and thrifts, 18% of credit grantors and 14% of insurance companies. Of the small number of companies that do have such a board or panel, roughly half deal with consumer privacy issues.

Q.16a
Table 11-1

WHETHER COMPANY HAS ADVISORY BOARD OR PANEL: INSURANCE, CREDIT GRANTORS, BANKS AND THRIFTS, AND CONSUMER AFFAIRS

Some companies have created an advisory board or panel made up of consumer group representatives to help management identify consumer concerns and develop responsive policies. Does your company presently have such an advisory panel or board?



Q.16b
Table 11-2

Whether Board or Panel Deals With Privacy Issues: Insurance, Credit Grantors, Banks and Thrifts, and Consumer Affairs

Base: Yes, Company presently has such an advisory panel or board
Does it deal with consumer privacy issues, or not?

	Privacy Intensive Industries			Corporate Spokes-persons
	Insurance	Credit Grantors	Banks And Thrifts	Consumer Affairs
	%	%	%	%
Base	22	27	32	33
Yes, deals with consumer privacy issues	41	52	53	39
No, doesn't deal with consumer privacy issues	45	30	41	52
Not sure	14	19	6	9

Fifty-one percent of consumer affairs executives whose companies do not have a panel or board to address consumer concerns think their company should have one. However, only 22% of executives of banks and thrifts, 20% of executives of credit grantors, and 20% of executives of insurance companies think so.

Q.16c
Table 11-3

Whether Company Should Have Advisory Board or Panel: Insurance, Credit Grantors, Banks and Thrifts, and Consumer Affairs

Base: No, company does not have an advisory panel or board or not sure
Do you personally think your company should have such a panel or board, or don't you think so?

	Privacy Intensive Industries			Corporate Spokes-persons
	Insurance	Credit Grantors	Banks And Thrifts	Consumer Affairs
	%	%	%	%
Base	130	123	125	71
Yes, think should	20	20	22	51
No, don't think should	72	77	74	45
Not sure	8	3	4	4

Consumer Advocacy Groups and Privacy Protection

Both the leaders and the public were presented with the following description of consumer advocacy groups: "Some consumer advocacy groups work to protect people's privacy by exposing abuses, bringing law suits and sponsoring legislation. Their critics say that they are unnecessary because we have laws and government agencies to protect our privacy." They were then asked whether these groups are "very important," "somewhat important" or "not very important" to the protection of consumer privacy:

- ▲ Eighty-three percent of the public, and between 75% and 88% of each group of executives regard advocacy groups as either "very" or "somewhat important";
- ▲ Of these, 35% of the public regard advocacy groups as "very important," as do 46% of consumer affairs executives, 41% of direct marketing executives, 27% of insurance industry executives, 26% of human resources executives, 22% of executives of credit grantors, and 16% of executives of banks and thrifts.
- ▲ Sixteen percent of the public regard advocacy groups as "not very important," as do between 11% and 25% of each group of executives.

Observation:

The American people overwhelmingly regard consumer advocacy groups as having an important role to play in protecting consumer privacy. Executives in privacy-intensive industries also regard consumer advocacy groups as having a role to play.

Q.K5
Table 11-4

Importance of Consumer Advocacy Groups: Public and Leaders

Some consumer advocacy groups work to protect people's privacy by exposing abuses, bringing lawsuits, and sponsoring legislation. Their critics say that they are unnecessary because we have laws and government agencies to protect our privacy. How important do you think such groups are to the protection of consumer privacy?

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public %	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	2254	152	150	157	150	203	104
Very important	35	27	22	16	41	26	46
Somewhat important	48	53	53	59	47	55	38
Not very important	16	20	25	25	11	18	15
Not sure	1	-	-	-	1	*	-

*Less than 0.5%

Business' Views of Corporate Privacy Policy

In order to get a clearer reading of the business community's attitudes toward privacy policy in the future, the executives surveyed were asked to indicate which of three courses of action best described their company's philosophy regarding customers and clients, and which best described their company's philosophy toward job applicants and employees.

In general, the business community, as represented by our sample, is divided about which is the best way to handle privacy policy. With regard to new privacy policies about customers and clients, pluralities of between 41% and 50% of each group say their company wants "to adopt new privacy policies when a consensus is developed in our industry." In those industries surveyed in both 1978 and 1990, there has been an increase in the percentage of companies choosing this option. Nevertheless, substantial minorities want to "wait until laws are passed that define what is proper or improper to do" or "be a pioneer in adopting company policies that provide new privacy protections."

Q.A9
Table 11-5

Company Policy Regarding Information About Customers and Clients: Leaders 1978 and 1990

In terms of your company adopting new privacy policies dealing with the information it collects and uses about customers and clients, which one of these items best describes your company's philosophy?

	1978*/ 1990					
	Privacy-Intensive Industries					Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	33 / 152	66 / 150	32 / 157	/ 150	/ 203	/ 104
We want to be a pioneer in adopting company policies that provide new privacy protections	30 / 22	26 / 16	25 / 19	/ 23	/ 19	/ 31
We want to adopt new privacy policies when a consensus is developed in our industry about what is right to do	42 / 46	38 / 41	31 / 43	/ 50	/ 44	/ 41
We want to wait until laws are passed that define what is proper and improper to do, and would then comply as good citizens	27 / 29	29 / 37	34 / 32	/ 20	/ 30	/ 20
None	- / 1	6 / 3	3 / 4	/ 3	/ 4	/ 3
Not sure	- / 2	2 / 3	6 / 1	/ 3	/ 3	/ 5

* *Dimensions of Privacy*, Harris, 1979.

With regard to new privacy policies about job applicants and employees, in the insurance (50%), credit grantor (48%), direct marketing (39%), banking and thrift (37%) industries, as with the companies employing the human resources executives (43%), a plurality favor adopting new privacy policies when a consensus is developed in their industry. Among the companies employing the consumer affairs executives interviewed, a plurality (34%) favor being a pioneer in adopting company policies that provide new privacy protections.

Observation:

In the privacy-intensive industries, no more than one-quarter of the companies want to be pioneers in providing new privacy protections for either customers and clients or job applicants and employees. The rest want to wait until either a consensus is developed or until laws are passed.

Previously, we have seen that most executives regard their companies as already doing an "above average" job in protecting the legitimate privacy interests of consumers, or of job applicants and employees. We have also seen that few companies have consumer advisory boards or panels and that the executives feel such boards or panels are not needed. Therefore, it would appear to be the consensus that what is currently being done to safeguard the privacy of consumers and of job applicants and employees is sufficient.

Q.A10
Table 11-6

Company Policy Regarding Information About Job Applicants and Employees: Leaders 1978 and 1990

In terms of your company adopting new privacy policies dealing with the information it collects and uses about people who are job applicants and employees, which one of these items best describes your company's philosophy?

	1978*/ 1990					
	Privacy-Intensive Industries					Corporate Spokes-persons
	Insurance %	Credit Grantors %	Banks And Thrifts %	Direct Marketers %	Human Resources %	Consumer Affairs %
Base	32 / 152	66 / 150	32 / 157	/ 150	/ 203	/ 104
We want to be a pioneer in adopting company policies that provide new privacy protections	38 / 24	32 / 19	25 / 23	/ 23	/ 23	/ 34
We want to adopt new privacy policies when a consensus is developed in our industry about what is right to do	47 / 50	36 / 48	44 / 37	/ 39	/ 43	/ 30
We want to wait until laws are passed that define what is proper and improper to do, and would then comply as good citizens	13 / 22	27 / 30	25 / 31	/ 29	/ 29	/ 26
None	- / 1	2 / 1	3 / 4	/ 3	/ 2	/ 5
Not sure	3 / 2	3 / 2	3 / 5	/ 5	/ 2	/ 6

* *Dimensions of Privacy*, Harris, 1979.

Alternative Ways to Protect Privacy

Everyone in the public sample and the leaders sample was presented with three options for what is needed at the federal level to protect consumer privacy:

- Stay with the present system of specific laws, congressional oversight, and individual lawsuits;
- Create a nonregulatory privacy protection board to research and publicize new controversies over privacy for public policy consideration;
- Create a regulatory privacy protection commission with powers to issue enforceable rules for businesses handling consumer information.

Among the public, a 41% plurality think a regulatory privacy commission with the powers to issue enforceable rules should be created, while 31% think we should stay with the present system, and 24% think a nonregulatory privacy protection board should be created.

Consumer affairs executives are virtually evenly divided between the three approaches: 33% favor creation of a regulatory commission with the power to enforce rules, 33% favor keeping the present system, and 31% favor creation of a nonregulatory board to research and publicize new privacy controversies.

Among executives in privacy-intensive industries, majorities or pluralities of all groups choose keeping the present system:

- Among executives of credit grantors, 55% favor keeping the present system, 25% favor creation of a regulatory privacy commission, and 17% favor creation of a nonregulatory privacy board;
- Among human resources executives, 51% favor keeping the present system, 25% favor creation of a regulatory privacy commission, and 20% favor creation of a nonregulatory privacy board;
- Among insurance industry executives, 49% favor keeping the present system, 28% favor creation of a regulatory privacy commission, and 20% favor creation of a nonregulatory privacy board;
- Among executives of banks and thrifts, 43% favor keeping the present system, 30% favor creation of a regulatory privacy commission, and 23% favor creation of a nonregulatory privacy board;
- Among direct marketing executives, 39% favor keeping the present system, 29% favor creation of a regulatory privacy commission, and 28% favor creation of a nonregulatory privacy board.

Observation:
A number of key points emerge from these findings and the particular focus of the question:

(1) The question did not pose as another alternative a proposal currently pending in Congress — strengthening the existing Fair Credit Reporting Act (FCRA). Nor did the question mention the role presently played by the Federal Trade Commission (FTC), in receiving public complaints and monitoring reporting-industry compliance with existing federal legislation. Had strengthening the FCRA and FTC actively been posed as an alternative way of meeting public concerns expressed in this survey, keeping the "present system" might have drawn greater public support.

(2) As the question was posed, a majority of the public (55%) support either keeping the present system or adding a non-regulatory privacy board.

(3) Executives in privacy-intensive industries, unlike the public, are most likely to want to keep the present system. This points up the gulf between the American public and the business community with regard to privacy protection. The public, as is revealed throughout this report, is quite concerned about threats to personal privacy stemming from the collection and use of information about consumers. The executives surveyed share these concerns to some degree, but for the most part think their own company is doing a good job in protecting personal privacy, and that no significant further efforts are needed at the corporate level.

(4) The public clearly feels that further efforts to define and protect consumer privacy are needed. These might involve creating a greater climate of confidence, in which the public would come to believe that existing legislation would be meaningfully enforced; or strengthening the Fair Credit Reporting Act in ways responsive to the public concerns expressed in this survey; or creating a non-regulatory privacy board (which could be done by executive order or by legislation); or creating a regulatory commission.

What the responses to our question indicate is that going beyond the current system, as the public perceives it operating, is desired by two out of three respondents.

Q.18
Table 11-7

ALTERNATIVE WAYS TO PROTECT CONSUMER PRIVACY: PUBLIC AND LEADERS

Which of the following do you think is needed at the federal level to protect consumer privacy?

		Leaders					
		Privacy-Intensive Industries					Corporate Spokes-persons
	Total Public	Insurance	Credit Grantors	Banks And Thrifts	Direct Marketers	Human Resources	Consumer Affairs
	%	%	%	%	%	%	%
Base	2254	152	150	157	150	203	104
Stay with the present system of specific laws, Congressional oversight, and individual lawsuits	31	49	55	43	39	51	33
Create a nonregulatory privacy protection board to research and publicize new controversies over privacy for public policy consideration	24	20	17	23	28	20	31
Create a regulatory privacy protection commission with powers to issue enforceable rules for businesses handling consumer information	41	28	25	30	29	25	33
Not sure	4	3	4	4	5	4	4

Appendix A: Survey Method

Sample Design: Public

Between January 11 and February 11, 1990, 2,254 interviews were conducted with a cross section of Americans eighteen years of age and older. Between April 20 and April 30, 1990, a brief follow-up interview was conducted with a cross section of 2,253 Americans. Fifty-eight percent of the original respondents were reinterviewed. Where the original respondent could not be reinterviewed, substitution was made within the same telephone bank.

The Louis Harris and Associates, Inc., National Telephone Sample is based on a methodology that is designed to produce representative samples of persons in telephone households in the 48 continental United States. The Harris National Telephone Sample makes use of random-digit selection procedures which assure sample representation of persons in both households which are "listed" in telephone directories, as well as persons in households which are "unlisted" in telephone directories.* The sample design is also explicitly designed to assure proper representation of households in central city, suburban, and rural areas within each of the 48 continental states.

The Harris National Telephone Sample is selected by a three-stage, stratified sampling process. The ultimate result of this process is a set of sample selections (phone numbers). In order to assure that the maximum degree of sample control is maintained, the basic sample design has been set up to produce cross-sectional national samples in increments of 500, 1,000, or 1,250 sampling points (i.e., households).

The representativeness of the sample is shown in the following table:

* Some households are "unlisted" as the result of a request for an unlisted number by the telephone subscriber. Other households are "unlisted" in the published directory because the telephone number was assigned after the publication date of the directory. Samples that are restricted to directory-listed numbers only may contain serious sample biases because of the exclusion of the various types of unlisted households.

Table A-1

Demographic Composition of the Sample

	1990		
	Number In Sample	Unweighted Percentage	Weighted Percentage
TOTAL	2,254	100	100
Region			
East	549	24	24
Midwest	545	24	24
South	709	31	32
West	451	20	20
Size of Place			
Cities	666	30	29
Rest of Metropolitan Area	1,057	47	47
Outside of Metropolitan Area	531	24	24
Age			
18-29 years	541	24	26
30-49 years	991	44	37
50 and over	705	31	34
Education			
Less than high school	255	11	24
High school graduate	882	36	39
Some college	420	26	19
College graduate	405	27	18
Race			
White	1,925	85	83
Black	207	9	11
Hispanic	122	5	6
Sex			
Male	1,082	48	48
Female	1,172	52	52
Income (total household income)			
Under $15,000	435	19	25
$15,000-$24,999	417	19	19
$25,000 and over	1,156	52	45

1. Subgroup totals do not always come to 1,513 or 2,254 because of some non-response.
2. East includes: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.
   Midwest include: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
   South includes: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennesee, Texas, and Virginia.
   West includes: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Sample Design: Leadership

Between January 29 and March 13, 1990, interviews were conducted with 916 corporate executives:

- 152 insurance company executives who are Senior Vice Presidents or above in Life Insurance, Health Insurance, or Property/Casualty Insurance;
- 150 executives of consumer credit grantors who are the seniormost executive in the company responsible for consumer credit decisions;
- 157 executives of banks and thrifts who are Senior Vice Presidents or above with responsibilities encompassing personal loans and mortgages;
- 150 direct marketing executives who are their firm's seniormost marketing executive;
- 203 human resources executives who are their firm's seniormost human resources or personnel executive;
- 104 consumer affairs executives drawn from a list of SOCAP members.

Weighting

All national public cross sections are weighted to the Census Bureau's latest population parameters on region, education, sex, race, and age. This adjusts these key variables, where necessary, to their actual proportions in the population. Only moderate weighting is necessary in Harris samples.

Sampling Error

The results achieved from all sample surveys are subject to sampling error. Sampling error is defined as the difference between the results obtained from the sample and those that would have been obtained had the entire relevant population been surveyed. The size of the sampling error varies both with the size of the sample and with the percentage giving a particular answer. In a sample size of 2,250 interviews, in 95 cases out of 100, the sampling error is 2%.

TABLES

Chapter 1: Privacy and the Individual

1-1 Concern with Threats to Privacy: Public 2
1-2 Concern with Threats to Privacy: Public and Leaders 3
1-3 Distrust: Public (1978 and 1990) 5
1-4 Distrust and Concern with Threats to Privacy: Public (1978 and 1990) 6
1-5 Whether Privacy is a Fundamental Right: Public and Leaders 7
1-6 Whether Various Statements Express the Way You Feel: Public (1978 and 1990) 8
1-7 Whether Specific Activities Should be Matter of Private Choice: Public (1978 and 1990) 9
1-8 Whether Random Police Checks for Intoxication Should be Allowed: Public 9

Chapter 2: How Governmental and Business Institutions Are Perceived in Relation to Personal Privacy

2-1 Threats to Personal Privacy: Public and Leaders 11
2-2 Familiarity With Reports About Misuse of Consumer Information: Public and Leaders 13
2-3 Whether Have Ever Not Applied for Something Due to Required Personal Information: Public 14
2-4 Whether Have Ever Not Applied for Something Due to Required Personal Information: Public and Leaders 15
2-5 Whether Ever Refused to Give Information Because Not Needed or Too Personal: Public and Leaders 16
2-6 Criticisms of Organizations That Collect and Use Information About Consumers: Public and Leaders 18
2-7 How Much Organizations Are Trusted with Information About People: Public and Leaders 20-22
2-8 Whether a National Work Identification Card Should Be Required: Public 23
2-9 Whether Agree or Disagree with Selected Statements: Public 24
2-10 Ability to Maintain Privacy From Government Ten Years From Now: Leaders 25

Chapter 3: How Consumers Would React to the Loss of Opportunities Made Possible Through the Use of Computerized Information

3-1 Whether Upset if Could Not Obtain Credit: Public 26
3-2 Whether Upset if Could Not Use Credit Card: Public 27

3-3 Whether Upset if Could Not Receive Mail Offers of Catalogs: Public 28
3-4 Whether Upset if Could Not Receive New Offers of Credit: Public 30

Chapter 4: The Privacy-Intensive Industries—Employment

4-1 What Information is Acceptable to Collect About Job Applicants: Public and Human Resources: 31
4-2 What Information Companies Actually Collect About Job Applicants: Human Resouces 32
4-3 Whether Appropriate for Employers to Fire or Deny Jobs for Involvement in Off-the-job Activities: Human Resources 33
4-4 Situations Under Which Drug Tests Should Be Required: Public and Human Resources 35
4-5 What Does an Employer Have the Right to Require?: Human Resources 36
4-6 Whether Monitoring of Calls by Telephone Operators is Necessary: Public and Human Resources 37
4-7 Whether Companies are Getting Information to Make Sound Decisions About Job Applicants: Human Resources 38
4-8 Why Companies Aren't Getting Information About Job Applicants: Human Resources 38
4-9 Satisfaction with Reports From Commercial Reporting Agencies About Job Applicants: Human Resources 39
4-10 Confidentiality of Information About Job Applicants and Employees: Human Resources 40
4-11 Whether Employers Have Asked for Information They Had No Right to Ask for: Public and Human Resources 41
4-12 Whether Employers Have Ever Misused Information: Public and Human Resources 42
4-13 Whether Lawsuits on Invasion of Privacy Grounds: Human Resources 42

Chapter 5: The Privacy-Intensive Industries—Credit

5-1 Concern About Current Debt: Public, Banks and Thrifts, Credit Grantors 43
5-2 Whether Ever Wished a Credit Grantor had Denied Credit: Public 44
5-3 Whether Companies Should be Able to Check Credit Records: Public 45
5-4 Whether Bankruptcy Prediction Formulas are a Legitimate Use of Consumer Information: Public, Banks and Thrifts, Credit Grantors 46

5-5 Whether Improper Information was Asked for on Credit Applications: Public, Banks and Thrifts, Credit Grantors 47
5-6 Whether Ever Refused Credit: Public, Banks and Thrifts, Credit Grantors 48
5-7 Quality of Information Used in Decision to Refuse Credit: Public 1978 and 1990 49
5-8 Should Bill-Paying Record Have Justified Getting Credit: Public 49
5-9 Knowledge of Legal Rights to See Credit Report: Public 51
5-10 Whether Disputed Inaccurate Item in Credit Report: Public 52
5-11 Whether Had Difficulty Dealing with Credit Bureau: Public 52
5-12 Whether Consumers Should Be Notified When Adverse Information is Placed in Credit Files: Public, Banks and Thrifts, Credit Grantors 53
5-13 Whether Companies Are Getting Sound Information to Make Decisions About Credit and Loan Applicants: Banks and Thrifts, Credit Grantors 54
5-14 Satisfaction with Reports From Commercial Reporting Agencies About Credit and Loan Applicants: Banks and Thrifts, Credit Agencies 55
5-15 Confidentiality of Information About Credit and Loan Applicants: Banks and Thrifts, Credit Grantors 56
5-16 Effectiveness of Credit Bureaus in Ensuring Legitimate Use of Consumer Credit Information: Leaders 57
5-17 Whether Stricter Regulations Would Help Prevent Abuses: Leaders 58

Chapter 6: The Privacy-Intensive Industries—Insurance

6-1 Whether Acceptable to Check Previous Medical Claims: Public and Health Insurance 59
6-2 Whether People Needing Expensive Treatments Should Pay for Health Insurance: Public and Health Insurance Executives 60
6-3 Trade-off Involving Access to Health Records: Public and Health Insurance Executives 60
6-4 Whether Improper Information was Asked for When Applying for Health Insurance: Public and Health Insurance Executives 61
6-5 Whether Ever Refused Health Insurance: Public and Health Insurance Executives 62
6-6 Whether Being Refused Health Insurance was a Serious Problem: Public 62
6-7 Whether Ever Refused Auto Insurance: Public and Auto Insurance Executives 63
6-8 Whether Being Refused Auto Insurance was a Serious Problem: Public 64

6-9 Whether Decision to Refuse Insurance was Justified: Public and Auto Insurance Executives 64
6-10 Whether Companies are Getting Information to Make Sound Judgments About Applicants for Insurance: Insurance 65
6-11 Satisfaction with Reports From Commercial Agencies About Applicants for Insurance: Insurance 66
6-12 Confidentiality of Information About Applicants for Insurance: Insurance 67

Chapter 7: The Privacy-Intensive Industries—Direct Marketing

7-1 Frequency of Direct Marketing Purchases in Past Year: Public 68
7-2 Whether Lists of Consumer Characteristics Should Be Sold: Public 69
7-3 Level of Concern With Selling Lists of Consumer Characteristics: Public 69
7-4 Whether Use of Consumer Information by Direct Marketers is Acceptable: Public and Direct Marketing 70
7-5 Whether Use of Names and Addresses by Direct Marketers is Acceptable: Public 72
7-6 Whether Use of Names and Addresses by Direct Marketers is Acceptable with Protecive Measures: Public 73
7-7 Whether Use of Credit Records for Pre-Screening is Acceptable: Public 75
7-8 Whether Use of Credit Records for Pre-Screening is Acceptable With Protective Measures 76
7-9 Whether Concern for Use of Consumer Information is Genuine or Blown Out of Proportion: Leaders 77

Chapter 8: The Privacy-Intensive Industries—Telecommunications

8-1 Whether Caller ID Should be Allowed to be Sold: Public 79
8-2 Whether Caller ID Should be Regulated I: Public 80
8-3 Whether Caller ID Should be Regulated II: Public 82

Chapter 9: The Privacy-intensive Industries—Computers

9-1 Do Computers Threaten Privacy?: Leaders 1978 and 1990 83
9-2 Agreement With Statements About Computers: Leaders 1978 and 1990 85
9-3 Media Treatment of Privacy Issues In Consumer Decisions By Companies: Leaders 87

9-4 Whether Have a Computer at Home: Public and Leaders 88
9-5 How Valuable Would On-line Services Be: Public and Leaders 90

Chapter 10: Privacy and Current Law

10-1 Whether Aware of Current Legislation: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs 91
10-2 Whether Current Laws Have Increased Business Costs: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs 92
10-3 Whether Current Laws Have Improved or Weakened Ability to Make Risk Decisions: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs 94
10-4 Whether Current Laws Should Be Kept or Repealed: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs 96
10-5 Whether There Should be a Uniform National Standard for Reporting Information About Individuals: Insurance, Credit Grantors, Banks and Thrifts, Human Resources, and Consumer Affairs 97

Chapter 11: Privacy Protection and the Future

11-1 Whether Company has Advisory Board or Panel: Insurance, Credit Grantors, Banks and Thrifts, and Consumer Affairs 98
11-2 Whether Board or Panel Deals with Privacy Issues: Insurance, Credit Grantors, Banks and Thrifts, and Consumer Affairs 99
11-3 Whether Company Should have Advisory Board or Panel: Insurance, Credit Grantors, Banks and Thrifts, and Consumer Affairs 99
11-4 Importance of Consumer Advocacy Groups: Public and Leaders 100
11-5 Company Policy Regarding Information About Customers and Clients: Leaders 1978 and 1990 101
11-6 Company Policy Regarding Information About Job Applicants and Employees: Leader 1978 and 1990 103
11-7 Alternative Ways to Protect Consumer Privacy: Public and Leaders 106

Appendix A: Survey Method

A-1 Demographic Composition of the Sample 108